

AMENDED IN ASSEMBLY AUGUST 27, 2010

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN ASSEMBLY AUGUST 9, 2010

AMENDED IN ASSEMBLY AUGUST 2, 2010

AMENDED IN SENATE JUNE 2, 2010

AMENDED IN SENATE MAY 11, 2010

AMENDED IN SENATE MARCH 22, 2010

SENATE BILL

No. 1192

Introduced by Senator Oropeza

February 18, 2010

An act to amend Section 1936 of the Civil Code, relating to airports.

LEGISLATIVE COUNSEL'S DIGEST

SB 1192, as amended, Oropeza. Airports: rental car facility fees.

Existing law governs contracts between rental car companies and their customers. Existing law authorizes a company that rents passenger vehicles to the public to collect a customer facility charge, which means a fee that is required by an airport to be collected for certain purposes, if specified circumstances apply, including, but not limited to, the collection of the fee is required by an airport operated by a city, a county, a city and county, a joint powers district, or a special district, the fee is calculated on a per contract basis, the fee is a user fee and not a tax, as specified, and the fee is \$10 per contract, except as specified.

This bill would expand the definition of customer facility charge to include a fee that is required by an airport to be collected for the purpose of financing, designing, constructing, and operating any common-use

transportation system, as specified, and for acquiring vehicles for use in that system. This bill would also authorize an alternative fee following a hearing and finding by the airport, as provided, that the customer facility charge will not generate sufficient revenue to finance and operate the consolidated rental car facility and common-use transportation system. The bill would provide for the collection of the alternative fee on a per-day basis, as specified.

Existing law provides that a statute that imposes a requirement that a state agency submit a periodic report to the Legislature is inoperative on a date 4 years after the date the first report is due.

The bill would, notwithstanding that requirement, also require any airport seeking to collect an alternative customer facility charge to provide reports on an annual basis to the Senate and Assembly Committees on Judiciary detailing the total amount of the customer facility charge collected, how the funds are being spent, the amount of and reason for any changes in the airport's budget or financial needs, and whether certain airport concession fees have increased since the prior report, if any. The bill would also require the airport to complete a specified independent audit prior to the initial collection of the customer facility charge, prior to any increase, as specified, and every 3 years after initial collection and any increase, as provided. The bill would require the Controller to review those audits and independently examine and substantiate the necessity for and the amount of the customer facility charge. The bill would require the individual airports being audited to reimburse the Controller's costs. The bill would also require the Controller to report to the Legislature on ~~its~~ *his or her* conclusions, as provided.

This bill would incorporate additional changes to Section 1936 of the Civil Code, as proposed by AB 2059, to be operative only if AB 2059 and this bill are both enacted, each bill amends Section 1936 of the Civil Code, and this bill is enacted after AB 2059.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1936 of the Civil Code is amended to
- 2 read:
- 3 1936. (a) For the purpose of this section, the following
- 4 definitions shall apply:

1 (1) “Rental company” means a person or entity in the business
2 of renting passenger vehicles to the public.

3 (2) “Renter” means any person in a manner obligated under a
4 contract for the lease or hire of a passenger vehicle from a rental
5 company for a period of less than 30 days.

6 (3) “Authorized driver” means (A) the renter, (B) the renter’s
7 spouse if that person is a licensed driver and satisfies the rental
8 company’s minimum age requirement, (C) the renter’s employer
9 or coworker if he or she is engaged in business activity with the
10 renter, is a licensed driver, and satisfies the rental company’s
11 minimum age requirement, and (D) a person expressly listed by
12 the rental company on the renter’s contract as an authorized driver.

13 (4) (A) “Customer facility charge” means any fee, including
14 an alternative fee, required by an airport to be collected by a rental
15 company from a renter for any of the following purposes:

16 (i) To finance, design, and construct consolidated airport car
17 rental facilities.

18 (ii) To finance, design, construct, and operate common-use
19 transportation systems that move passengers between airport
20 terminals and those consolidated car rental facilities, and acquire
21 vehicles for use in that system .

22 (iii) To finance, design, and construct terminal modifications
23 solely to accommodate and provide customer access to
24 common-use transportation systems.

25 (B) The aggregate amount to be collected shall not exceed the
26 reasonable costs, as determined by an independent audit paid for
27 by the airport, to finance, design, and construct those facilities.
28 Copies of the audit shall be provided to the Assembly and Senate
29 Committees on Judiciary, the Assembly Committee on
30 Transportation, and the Senate Committee on Transportation and
31 Housing. In the case of a transportation system, the audit also shall
32 consider the reasonable costs of providing the transit system or
33 busing network. Notwithstanding clause (iii) of subparagraph (A),
34 the fees designated as a customer facility charge shall not be used
35 to pay for terminal expansion, gate expansion, runway expansion,
36 changes in hours of operation, or changes in the number of flights
37 arriving or departing from the airport.

38 (C) Except as provided in subparagraph (D), the authorization
39 given pursuant to this section for an airport to impose a customer

1 facility charge shall become inoperative when the bonds used for
2 financing are paid.

3 (D) If a bond or other form of indebtedness is not used for
4 financing, or the bond or other form of indebtedness used for
5 financing has been paid, the Oakland International Airport may
6 require the collection of a customer facility charge for a period of
7 up to 10 years from the imposition of the charge for the purposes
8 allowed by, and subject to the conditions imposed by, this section.

9 (5) “Damage waiver” means a rental company’s agreement not
10 to hold a renter liable for all or any portion of any damage or loss
11 related to the rented vehicle, any loss of use of the rented vehicle,
12 or any storage, impound, towing, or administrative charges.

13 (6) “Electronic surveillance technology” means a technological
14 method or system used to observe, monitor, or collect information,
15 including telematics, Global Positioning System (GPS), wireless
16 technology, or location-based technologies. “Electronic
17 surveillance technology” does not include event data recorders
18 (EDR), sensing and diagnostic modules (SDM), or other systems
19 that are used either:

20 (A) For the purpose of identifying, diagnosing, or monitoring
21 functions related to the potential need to repair, service, or perform
22 maintenance on the rental vehicle.

23 (B) As part of the vehicle’s airbag sensing and diagnostic system
24 in order to capture safety systems-related data for retrieval after a
25 crash has occurred or in the event that the collision sensors are
26 activated to prepare the decisionmaking computer to make the
27 determination to deploy or not to deploy the airbag.

28 (7) “Estimated time for replacement” means the number of hours
29 of labor, or fraction thereof, needed to replace damaged vehicle
30 parts as set forth in collision damage estimating guides generally
31 used in the vehicle repair business and commonly known as “crash
32 books.”

33 (8) “Estimated time for repair” means a good faith estimate of
34 the reasonable number of hours of labor, or fraction thereof, needed
35 to repair damaged vehicle parts.

36 (9) “Membership program” means a service offered by a rental
37 company that permits customers to bypass the rental counter and
38 go directly to the car previously reserved. A membership program
39 shall meet all of the following requirements:

1 (A) The renter initiates enrollment by completing an application
2 on which the renter can specify a preference for type of vehicle
3 and acceptance or declination of optional services.

4 (B) The rental company fully discloses, prior to the enrollee's
5 first rental as a participant in the program, all terms and conditions
6 of the rental agreement as well as all required disclosures.

7 (C) The renter may terminate enrollment at any time.

8 (D) The rental company fully explains to the renter that
9 designated preferences, as well as acceptance or declination of
10 optional services, may be changed by the renter at any time for
11 the next and future rentals.

12 (E) An employee designated to receive the form specified in
13 subparagraph (C) of paragraph (1) of subdivision (t) is present at
14 the lot where the renter takes possession of the car, to receive any
15 change in the rental agreement from the renter.

16 (10) "Passenger vehicle" means a passenger vehicle as defined
17 in Section 465 of the Vehicle Code.

18 (b) Except as limited by subdivision (c), a rental company and
19 a renter may agree that the renter will be responsible for no more
20 than all of the following:

21 (1) Physical or mechanical damage to the rented vehicle up to
22 its fair market value, as determined in the customary market for
23 the sale of that vehicle, resulting from collision regardless of the
24 cause of the damage.

25 (2) Loss due to theft of the rented vehicle up to its fair market
26 value, as determined in the customary market for the sale of that
27 vehicle, provided that the rental company establishes by clear and
28 convincing evidence that the renter or the authorized driver failed
29 to exercise ordinary care while in possession of the vehicle. In
30 addition, the renter shall be presumed to have no liability for any
31 loss due to theft if (A) an authorized driver has possession of the
32 ignition key furnished by the rental company or an authorized
33 driver establishes that the ignition key furnished by the rental
34 company was not in the vehicle at the time of the theft, and (B) an
35 authorized driver files an official report of the theft with the police
36 or other law enforcement agency within 24 hours of learning of
37 the theft and reasonably cooperates with the rental company and
38 the police or other law enforcement agency in providing
39 information concerning the theft. The presumption set forth in this
40 paragraph is a presumption affecting the burden of proof which

1 the rental company may rebut by establishing that an authorized
2 driver committed, or aided and abetted the commission of, the
3 theft.

4 (3) Physical damage to the rented vehicle up to its fair market
5 value, as determined in the customary market for the sale of that
6 vehicle, resulting from vandalism occurring after, or in connection
7 with, the theft of the rented vehicle. However, the renter shall have
8 no liability for any damage due to vandalism if the renter would
9 have no liability for theft pursuant to paragraph (2).

10 (4) Physical damage to the rented vehicle up to a total of five
11 hundred dollars (\$500) resulting from vandalism unrelated to the
12 theft of the rented vehicle.

13 (5) Actual charges for towing, storage, and impound fees paid
14 by the rental company if the renter is liable for damage or loss.

15 (6) An administrative charge, which shall include the cost of
16 appraisal and all other costs and expenses incident to the damage,
17 loss, repair, or replacement of the rented vehicle.

18 (c) The total amount of the renter's liability to the rental
19 company resulting from damage to the rented vehicle shall not
20 exceed the sum of the following:

21 (1) The estimated cost of parts which the rental company would
22 have to pay to replace damaged vehicle parts. All discounts and
23 price reductions or adjustments that are or will be received by the
24 rental company shall be subtracted from the estimate to the extent
25 not already incorporated in the estimate, or otherwise promptly
26 credited or refunded to the renter.

27 (2) The estimated cost of labor to replace damaged vehicle parts,
28 which shall not exceed the product of (A) the rate for labor usually
29 paid by the rental company to replace vehicle parts of the type that
30 were damaged and (B) the estimated time for replacement. All
31 discounts and price reductions or adjustments that are or will be
32 received by the rental company shall be subtracted from the
33 estimate to the extent not already incorporated in the estimate, or
34 otherwise promptly credited or refunded to the renter.

35 (3) (A) The estimated cost of labor to repair damaged vehicle
36 parts, which shall not exceed the lesser of the following:

37 (i) The product of the rate for labor usually paid by the rental
38 company to repair vehicle parts of the type that were damaged and
39 the estimated time for repair.

1 (ii) The sum of the estimated labor and parts costs determined
2 under paragraphs (1) and (2) to replace the same vehicle parts.

3 (B) All discounts and price reductions or adjustments that are
4 or will be received by the rental company shall be subtracted from
5 the estimate to the extent not already incorporated in the estimate,
6 or otherwise promptly credited or refunded to the renter.

7 (4) For the purpose of converting the estimated time for repair
8 into the same units of time in which the rental rate is expressed, a
9 day shall be deemed to consist of eight hours.

10 (5) Actual charges for towing, storage, and impound fees paid
11 by the rental company.

12 (6) The administrative charge described in paragraph (6) of
13 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total
14 estimated cost for parts and labor is more than one hundred dollars
15 (\$100) up to and including five hundred dollars (\$500), (B) one
16 hundred dollars (\$100) if the total estimated cost for parts and
17 labor exceeds five hundred dollars (\$500) up to and including one
18 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
19 dollars (\$150) if the total estimated cost for parts and labor exceeds
20 one thousand five hundred dollars (\$1,500). An administrative
21 charge shall not be imposed if the total estimated cost of parts and
22 labor is one hundred dollars (\$100) or less.

23 (d) (1) The total amount of an authorized driver's liability to
24 the rental company, if any, for damage occurring during the
25 authorized driver's operation of the rented vehicle shall not exceed
26 the amount of the renter's liability under subdivision (c).

27 (2) A rental company shall not recover from the renter or other
28 authorized driver an amount exceeding the renter's liability under
29 subdivision (c).

30 (3) A claim against a renter resulting from damage or loss,
31 excluding loss of use, to a rental vehicle shall be reasonably and
32 rationally related to the actual loss incurred. A rental company
33 shall mitigate damages where possible and shall not assert or collect
34 a claim for physical damage which exceeds the actual costs of the
35 repairs performed or the estimated cost of repairs, if the rental
36 company chooses not to repair the vehicle, including all discounts
37 and price reductions. However, if the vehicle is a total loss vehicle,
38 the claim shall not exceed the total loss vehicle value established
39 in accordance with procedures that are customarily used by
40 insurance companies when paying claims on total loss vehicles,

1 less the proceeds from salvaging the vehicle, if those proceeds are
2 retained by the rental company.

3 (4) If insurance coverage exists under the renter's applicable
4 personal or business insurance policy and the coverage is confirmed
5 during regular business hours, the renter may require that the rental
6 company submit any claims to the renter's applicable personal or
7 business insurance carrier. The rental company shall not make any
8 written or oral representations that it will not present claims or
9 negotiate with the renter's insurance carrier. For purposes of this
10 paragraph, confirmation of coverage includes telephone
11 confirmation from insurance company representatives during
12 regular business hours. Upon request of the renter and after
13 confirmation of coverage, the amount of claim shall be resolved
14 between the insurance carrier and the rental company. The renter
15 shall remain responsible for payment to the rental car company
16 for any loss sustained that the renter's applicable personal or
17 business insurance policy does not cover.

18 (5) A rental company shall not recover from the renter or other
19 authorized driver for an item described in subdivision (b) to the
20 extent the rental company obtains recovery from another person.

21 (6) This section applies only to the maximum liability of a renter
22 or other authorized driver to the rental company resulting from
23 damage to the rented vehicle and not to the liability of another
24 person.

25 (e) (1) Except as provided in subdivision (f), a damage waiver
26 shall provide or, if not expressly stated in writing, shall be deemed
27 to provide that the renter has no liability for a damage, loss, loss
28 of use, or a cost or expense incident thereto.

29 (2) Except as provided in subdivision (f), every limitation,
30 exception, or exclusion to a damage waiver is void and
31 unenforceable.

32 (f) A rental company may provide in the rental contract that a
33 damage waiver does not apply under any of the following
34 circumstances:

35 (1) Damage or loss results from an authorized driver's (A)
36 intentional, willful, wanton, or reckless conduct, (B) operation of
37 the vehicle under the influence of drugs or alcohol in violation of
38 Section 23152 of the Vehicle Code, (C) towing or pushing
39 anything, or (D) operation of the vehicle on an unpaved road if

1 the damage or loss is a direct result of the road or driving
2 conditions.

3 (2) Damage or loss occurs while the vehicle is (A) used for
4 commercial hire, (B) used in connection with conduct that could
5 be properly charged as a felony, (C) involved in a speed test or
6 contest or in driver training activity, (D) operated by a person other
7 than an authorized driver, or (E) operated outside the United States.

8 (3) An authorized driver who has (A) provided fraudulent
9 information to the rental company, or (B) provided false
10 information and the rental company would not have rented the
11 vehicle if it had instead received true information.

12 (g) (1) A rental company that offers or provides a damage
13 waiver for any consideration in addition to the rental rate shall
14 clearly and conspicuously disclose the following information in
15 the rental contract or holder in which the contract is placed and,
16 also, in signs posted at the place, such as the counter, where the
17 renter signs the rental contract, and, for renters who are enrolled
18 in the rental company's membership program, in a sign that shall
19 be posted in a location clearly visible to those renters as they enter
20 the location where their reserved rental cars are parked or near the
21 exit of the bus or other conveyance that transports the enrollee to
22 a reserved car: (A) the nature of the renter's liability, such as
23 liability for all collision damage regardless of cause, (B) the extent
24 of the renter's liability, such as liability for damage or loss up to
25 a specified amount, (C) the renter's personal insurance policy or
26 the credit card used to pay for the car rental transaction may
27 provide coverage for all or a portion of the renter's potential
28 liability, (D) the renter should consult with his or her insurer to
29 determine the scope of insurance coverage, including the amount
30 of the deductible, if any, for which the renter is obligated, (E) the
31 renter may purchase an optional damage waiver to cover all
32 liability, subject to whatever exceptions the rental company
33 expressly lists that are permitted under subdivision (f), and (F) the
34 range of charges for the damage waiver.

35 (2) In addition to the requirements of paragraph (1), a rental
36 company that offers or provides a damage waiver shall orally
37 disclose to all renters, except those who are participants in the
38 rental company's membership program, that the damage waiver
39 may be duplicative of coverage that the customer maintains under
40 his or her own policy of motor vehicle insurance. The renter's

1 receipt of the oral disclosure shall be demonstrated through the
2 renter's acknowledging receipt of the oral disclosure near that part
3 of the contract where the renter indicates, by the renter's own
4 initials, his or her acceptance or declination of the damage waiver.
5 Adjacent to that same part, the contract also shall state that the
6 damage waiver is optional. Further, the contract for these renters
7 shall include a clear and conspicuous written disclosure that the
8 damage waiver may be duplicative of coverage that the customer
9 maintains under his or her own policy of motor vehicle insurance.

10 (3) The following is an example, for purposes of illustration
11 and not limitation, of a notice fulfilling the requirements of
12 paragraph (1) for a rental company that imposes liability on the
13 renter for collision damage to the full value of the vehicle:

14
15 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
16 AND OPTIONAL DAMAGE WAIVER
17

18 You are responsible for all collision damage to the rented vehicle
19 even if someone else caused it or the cause is unknown. You are
20 responsible for the cost of repair up to the value of the vehicle,
21 and towing, storage, and impound fees.

22 Your own insurance, or the issuer of the credit card you use to
23 pay for the car rental transaction, may cover all or part of your
24 financial responsibility for the rented vehicle. You should check
25 with your insurance company, or credit card issuer, to find out
26 about your coverage and the amount of the deductible, if any, for
27 which you may be liable.

28 Further, if you use a credit card that provides coverage for your
29 potential liability, you should check with the issuer to determine
30 if you must first exhaust the coverage limits of your own insurance
31 before the credit card coverage applies.

32 The rental company will not hold you responsible if you buy a
33 damage waiver. But a damage waiver will not protect you if (list
34 exceptions)."

35 (A) When the above notice is printed in the rental contract or
36 holder in which the contract is placed, the following shall be printed
37 immediately following the notice:

38 "The cost of an optional damage waiver is \$____ for every (day
39 or week)."

1 (B) When the above notice appears on a sign, the following
2 shall appear immediately adjacent to the notice:

3 “The cost of an optional damage waiver is \$____ to \$____ for
4 every (day or week), depending upon the vehicle rented.”

5 (h) Notwithstanding any other provision of law, a rental
6 company may sell a damage waiver subject to the following rate
7 limitations for each full or partial 24-hour rental day for the damage
8 waiver.

9 (1) For rental vehicles that the rental company designates as an
10 “economy car,” “subcompact car,” “compact car,” or another term
11 having similar meaning when offered for rental, or another vehicle
12 having a manufacturer’s suggested retail price of nineteen thousand
13 dollars (\$19,000) or less, the rate shall not exceed nine dollars
14 (\$9).

15 (2) For rental vehicles that have a manufacturer’s suggested
16 retail price from nineteen thousand one dollars (\$19,001) to
17 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),
18 inclusive, and that are also either vehicles of next year’s model,
19 or not older than the previous year’s model, the rate shall not
20 exceed fifteen dollars (\$15). For those rental vehicles older than
21 the previous year’s model-year, the rate shall not exceed nine
22 dollars (\$9).

23 (i) The manufacturer’s suggested retail prices described in
24 subdivision (h) shall be adjusted annually to reflect changes from
25 the previous year in the Consumer Price Index. For the purposes
26 of this section, “Consumer Price Index” means the United States
27 Consumer Price Index for All Urban Consumers, for all items.

28 (j) A rental company that disseminates in this state an
29 advertisement containing a rental rate shall include in that
30 advertisement a clearly readable statement of the charge for a
31 damage waiver and a statement that a damage waiver is optional.

32 (k) (1) A rental company shall not require the purchase of a
33 damage waiver, optional insurance, or another optional good or
34 service.

35 (2) A rental company shall not engage in any unfair, deceptive,
36 or coercive conduct to induce a renter to purchase the damage
37 waiver, optional insurance, or another optional good or service,
38 including conduct such as, but not limited to, refusing to honor
39 the renter’s reservation, limiting the availability of vehicles,
40 requiring a deposit, or debiting or blocking the renter’s credit card

1 account for a sum equivalent to a deposit if the renter declines to
2 purchase the damage waiver, optional insurance, or another
3 optional good or service.

4 (l) (1) In the absence of express permission granted by the
5 renter subsequent to damage to, or loss of, the vehicle, a rental
6 company shall not seek to recover any portion of a claim arising
7 out of damage to, or loss of, the rented vehicle by processing a
8 credit card charge or causing a debit or block to be placed on the
9 renter's credit card account.

10 (2) A rental company shall not engage in any unfair, deceptive,
11 or coercive tactics in attempting to recover or in recovering on any
12 claim arising out of damage to, or loss of, the rented vehicle.

13 (m) (1) A customer facility charge may be collected by a rental
14 company under the following circumstances:

15 (A) Collection of the fee by the rental company is required by
16 an airport operated by a city, a county, a city and county, a joint
17 powers authority, a special district, or the San Diego County
18 Regional Airport Authority formed pursuant to Division 17
19 (commencing with Section 170000) of the Public Utilities Code.

20 (B) The fee is calculated on a per contract basis or as provided
21 in paragraph (2).

22 (C) The fee is a user fee, not a tax imposed upon real property
23 or an incidence of property ownership under Article XIII D of the
24 California Constitution.

25 (D) Except as otherwise provided in subparagraph (E), the fee
26 shall be ten dollars (\$10) per contract or the amount provided in
27 paragraph (2).

28 (E) The fee for a consolidated rental car facility shall be
29 collected only from customers of on-airport rental car companies.
30 If the fee imposed by the airport is for both a consolidated rental
31 car facility and a common-use transportation system, the fee
32 collected from customers of on-airport rental car companies shall
33 be ten dollars (\$10) or the amount provided in paragraph (2), but
34 the fee imposed on customers of off-airport rental car companies
35 who are transported on the common-use transportation system is
36 proportionate to the costs of the common-use transportation system
37 only. The fee is uniformly applied to each class of on-airport or
38 off-airport customers, provided that the airport requires off-airport
39 customers to use the common-use transportation system. *For*
40 *purposes of this subparagraph, "on-airport rental car company"*

1 *means a rental company operating under an airport property lease*
2 *or an airport concession or license agreement whose customers*
3 *use or will use the consolidated rental car facility and the*
4 *collection of the fee as to those customers is consistent with*
5 *subparagraph (C).*

6 (F) Revenues collected from the fee do not exceed the reasonable
7 costs of financing, designing, and constructing the facility and
8 financing, designing, constructing, and operating any common-use
9 transportation system, or acquiring vehicles for use in that system,
10 and shall not be used for any other purpose.

11 (G) The fee is separately identified on the rental agreement.

12 (H) This paragraph does not apply to fees which are governed
13 by Section 50474.1 of the Government Code or Section 57.5 of
14 the San Diego Unified Port District Act.

15 (I) For any airport seeking to require rental car companies to
16 collect an alternative customer facility charge pursuant to paragraph
17 (2), the following provisions apply:

18 (i) Notwithstanding Section 10231.5 of the Government Code,
19 the airport shall provide reports on an annual basis to the Senate
20 and Assembly Committees on Judiciary detailing all of the
21 following:

22 (I) The total amount of the customer facility charge collected.

23 (II) How the funds are being spent.

24 (III) The amount of and reason for any changes in the airport's
25 budget or financial needs for the facility or common-use
26 transportation system.

27 (IV) Whether airport concession fees authorized by Section
28 1936.01 have increased since the prior report, if any.

29 (ii) The airport shall complete the independent audit required
30 by subparagraph (B) of paragraph (4) of subdivision (a) prior to
31 initial collection of the customer facility charge, prior to any
32 increase pursuant to paragraph (2), and every three years after
33 initial collection and any increase until such time as the fee
34 authorization becomes inoperative pursuant to subparagraph (C)
35 of paragraph (4) of subdivision (a). The Controller shall review
36 those audits and independently examine and substantiate the
37 necessity for and the amount of the customer facility charge. The
38 Controller's costs shall be reimbursed by the individual airport
39 being audited. Notwithstanding Section 10231.5 of the Government
40 Code, the Controller shall report to the Legislature on its

1 conclusions, including whether the airport's actual or projected
2 costs are supported and justified, any steps the airport may take to
3 limit costs, potential alternatives for meeting the airport's revenue
4 needs other than the collection of the fee, and whether and to what
5 extent car rental companies or other businesses or individuals using
6 the facility or common-use transportation system may pay for the
7 costs associated with these facilities and systems other than the
8 fee from rental customers, or whether the airport did not comply
9 with any provision of this subparagraph.

10 (iii) Use of the bonds shall be limited to construction and design
11 of the consolidated rental car facility, terminal modifications, and
12 operating costs of the common-use transportation system, as
13 specified in paragraph (4) of subdivision (a).

14 (2) Any airport may require rental car companies to collect an
15 alternative customer facility charge under the following conditions:

16 (A) The airport first conducts a publicly noticed hearing pursuant
17 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
18 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
19 to review the costs of financing the design and construction of a
20 consolidated rental car facility and the design, construction, and
21 operation of any common-use transportation system in which all
22 of the following occur:

23 (i) The airport establishes the amount of revenue necessary to
24 finance the reasonable cost to design and construct a consolidated
25 rental car facility and to design, construct, and operate any
26 common-use transportation system, or acquire vehicles for use in
27 that system, based on evidence presented during the hearing.

28 (ii) The airport finds, based on evidence presented during the
29 hearing, that the fee authorized in paragraph (1) will not generate
30 sufficient revenue to finance the reasonable costs to design and
31 construct a consolidated rental car facility and to design, construct,
32 and operate any common-use transportation system, or acquire
33 vehicles for use in that system .

34 (iii) The airport finds that the reasonable cost of the project
35 requires the additional amount of revenue that would be generated
36 by the proposed daily rate, including any rate increase, authorized
37 pursuant to this paragraph.

38 (iv) The airport outlines each of the following:

39 (I) Steps it has taken to limit costs.

1 (II) Other potential alternatives for meeting its revenue needs
2 other than the collection of the fee.

3 (III) The extent to which rental car companies or other
4 businesses or individuals using the facility or common-use
5 transportation system will pay for the costs associated with these
6 facilities and systems other than the fee from rental customers.

7 (v) The Controller reviews and substantiates the need for and
8 amount of the fee pursuant to clause (ii) of subparagraph (I) of
9 paragraph (1).

10 (B) The airport may not require the fee authorized in this
11 paragraph to be collected at any time that the fee authorized in
12 paragraph (1) of this subdivision is being collected.

13 (C) Pursuant to the procedure set forth in this subdivision, the
14 fee may be collected at a rate charged on a per-day basis subject
15 to the following conditions:

16 (i) Commencing January 1, 2011, the amount of the fee may
17 not exceed six dollars (\$6) per day.

18 (ii) Commencing January 1, 2014, the amount of the fee may
19 not exceed seven dollars and fifty cents (\$7.50) per day.

20 (iii) Commencing January 1, 2017, and thereafter, the amount
21 of the fee may not exceed nine dollars (\$9) per day.

22 (iv) At no time shall the fee authorized in this paragraph be
23 collected from any customer for more than five days for each
24 individual rental car contract.

25 (v) An airport subject to this paragraph shall initiate the process
26 for obtaining the authority to require or increase the alternative
27 fee no later than January 1, 2018. Any airport that obtains the
28 authority to require or increase an alternative fee shall be authorized
29 to continue collecting that fee until the fee authorization becomes
30 inoperative pursuant to subparagraph (C) of paragraph (4) of
31 subdivision (a).

32 (3) Notwithstanding any other provision of law, including, but
33 not limited to, Part 1 (commencing with Section 6001) to Part 1.7
34 (commencing with Section 7280), inclusive, of Division 2 of the
35 Revenue and Taxation Code, the fees collected pursuant to this
36 section, or another law whereby a local agency operating an airport
37 requires a rental car company to collect a facility financing fee
38 from its customers, are not subject to sales, use, or transaction
39 taxes.

(n) (1) A rental company shall only advertise, quote, and charge a rental rate that includes the entire amount except taxes, a customer facility charge, if any, and a mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. A rental company shall not charge in addition to the rental rate, taxes, a customer facility charge, if any, and a mileage charge, if any, any fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle, including, but not limited to, required fuel or airport surcharges other than customer facility charges, nor a fee for transporting the renter to the location where the rented vehicle will be delivered to the renter.

(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

(3) A rental company shall not charge a fee for authorized drivers in addition to the rental charge for an individual renter.

(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.

(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company

1 shall disclose clearly the existence and amount of the customer
2 facility charge. For purposes of this subparagraph, advertisements
3 include radio, television, other electronic media, and print
4 advertisements. For purposes of this subparagraph, quotations and
5 reservations include those that are telephonic, in-person, and
6 computer-transmitted. If the rate advertisement is intended to
7 include transactions at more than one airport imposing a customer
8 facility charge, a range of fees may be stated in the advertisement.
9 However, all rate advertisements that include car rentals at airport
10 destinations shall clearly and conspicuously include a toll-free
11 telephone number whereby a customer can be told the specific
12 amount of the customer facility charge to which the customer will
13 be obligated.

14 (B) If a person or entity other than a rental car company,
15 including a passenger carrier or a seller of travel services, advertises
16 or quotes a rate for a car rental at an airport where a customer
17 facility charge is imposed, that person or entity shall, provided
18 that he, she, or it is provided with information about the existence
19 and amount of the fee, to the extent not specifically prohibited by
20 federal law, clearly disclose the existence and amount of the fee
21 in any telephonic, in-person, or computer-transmitted quotation at
22 the time of making an initial quotation of a rental rate and at the
23 time of making a reservation of a rental car. If a rental car company
24 provides the person or entity with rate and customer facility charge
25 information, the rental car company is not responsible for the
26 failure of that person or entity to comply with this subparagraph
27 when quoting or confirming a rate to a third person or entity.

28 (6) If a rental company delivers a vehicle to a renter at a location
29 other than the location where the rental company normally carries
30 on its business, the rental company shall not charge the renter an
31 amount for the rental for the period before the delivery of the
32 vehicle. If a rental company picks up a rented vehicle from a renter
33 at a location other than the location where the rental company
34 normally carries on its business, the rental company shall not
35 charge the renter an amount for the rental for the period after the
36 renter notifies the rental company to pick up the vehicle.

37 (o) A rental company shall not use, access, or obtain any
38 information relating to the renter's use of the rental vehicle that
39 was obtained using electronic surveillance technology, except in
40 the following circumstances:

1 (1) (A) When the equipment is used by the rental company
2 only for the purpose of locating a stolen, abandoned, or missing
3 rental vehicle after one of the following:

4 (i) The renter or law enforcement has informed the rental
5 company that the vehicle is missing or has been stolen or
6 abandoned.

7 (ii) The rental vehicle has not been returned following one week
8 after the contracted return date, or by one week following the end
9 of an extension of that return date.

10 (iii) The rental company discovers the rental vehicle has been
11 stolen or abandoned, and, if stolen, it shall report the vehicle stolen
12 to law enforcement by filing a stolen vehicle report, unless law
13 enforcement has already informed the rental company that the
14 vehicle is missing or has been stolen or abandoned.

15 (B) If electronic surveillance technology is activated pursuant
16 to subparagraph (A), a rental company shall maintain a record, in
17 either electronic or written form, of information relevant to the
18 activation of that technology. That information shall include the
19 rental agreement, including the return date, and the date and time
20 the electronic surveillance technology was activated. The record
21 shall also include, if relevant, a record of written or other
22 communication with the renter, including communications
23 regarding extensions of the rental, police reports, or other written
24 communication with law enforcement officials. The record shall
25 be maintained for a period of at least 12 months from the time the
26 record is created and shall be made available upon the renter's
27 request. The rental company shall maintain and furnish explanatory
28 codes necessary to read the record. A rental company shall not be
29 required to maintain a record if electronic surveillance technology
30 is activated to recover a rental vehicle that is stolen or missing at
31 a time other than during a rental period.

32 (2) In response to a specific request from law enforcement
33 pursuant to a subpoena or search warrant.

34 (3) This subdivision does not prohibit a rental company from
35 equipping rental vehicles with GPS-based technology that provides
36 navigation assistance to the occupants of the rental vehicle, if the
37 rental company does not use, access, or obtain information relating
38 to the renter's use of the rental vehicle that was obtained using
39 that technology, except for the purposes of discovering or repairing

1 a defect in the technology and the information may then be used
2 only for that purpose.

3 (4) This subdivision does not prohibit a rental company from
4 equipping rental vehicles with electronic surveillance technology
5 that allows for the remote locking or unlocking of the vehicle at
6 the request of the renter, if the rental company does not use, access,
7 or obtain information relating to the renter's use of the rental
8 vehicle that was obtained using that technology, except as
9 necessary to lock or unlock the vehicle.

10 (5) This subdivision does not prohibit a rental company from
11 equipping rental vehicles with electronic surveillance technology
12 that allows the company to provide roadside assistance, such as
13 towing, flat tire, or fuel services, at the request of the renter, if the
14 rental company does not use, access, or obtain information relating
15 to the renter's use of the rental vehicle that was obtained using
16 that technology except as necessary to provide the requested
17 roadside assistance.

18 (6) This subdivision does not prohibit a rental company from
19 obtaining, accessing, or using information from electronic
20 surveillance technology for the sole purpose of determining the
21 date and time the vehicle is returned to the rental company, and
22 the total mileage driven and the vehicle fuel level of the returned
23 vehicle. This paragraph, however, shall apply only after the renter
24 has returned the vehicle to the rental company, and the information
25 shall only be used for the purpose described in this paragraph.

26 (p) A rental company shall not use electronic surveillance
27 technology to track a renter in order to impose fines or surcharges
28 relating to the renter's use of the rental vehicle.

29 (q) A renter may bring an action against a rental company for
30 the recovery of damages and appropriate equitable relief for a
31 violation of this section. The prevailing party shall be entitled to
32 recover reasonable attorney's fees and costs.

33 (r) A rental company that brings an action against a renter for
34 loss due to theft of the vehicle shall bring the action in the county
35 in which the renter resides or, if the renter is not a resident of this
36 state, in the jurisdiction in which the renter resides.

37 (s) A waiver of any of the provisions of this section shall be
38 void and unenforceable as contrary to public policy.

(t) (1) A rental company's disclosure requirements shall be satisfied for renters who are enrolled in the rental company's membership program if all of the following conditions are met:

(A) Prior to the enrollee's first rental as a participant in the program, the renter receives, in writing, the following:

(i) All of the disclosures required by paragraph (1) of subdivision (g), including the terms and conditions of the rental agreement then in effect.

(ii) An Internet Web site address, as well as a contact number or address, where the enrollee can learn of changes to the rental agreement or to the laws of this state governing rental agreements since the effective date of the rental company's most recent restatement of the rental agreement and distribution of that restatement to its members.

(B) At the commencement of each rental period, the renter is provided, on the rental record or the folder in which it is inserted, with a printed notice stating that he or she had either previously selected or declined an optional damage waiver and that the renter has the right to change preferences.

(C) At the commencement of each rental period, the rental company provides, on the rearview mirror, a hanger on which a statement is printed, in a box, in at least 12-point boldface type, notifying the renter that the collision damage waiver offered by the rental company may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. If it is not feasible to hang the statement from the rearview mirror, it shall be hung from the steering wheel.

The hanger shall provide the renter a box to initial if he or she (not his or her employer) has previously accepted or declined the collision damage waiver and that he or she now wishes to change his or her decision to accept or decline the collision damage waiver, as follows:

“☐ If I previously accepted the collision damage waiver, I now decline it.

☐ If I previously declined the collision damage waiver, I now accept it.”

The hanger shall also provide a box for the enrollee to indicate whether this change applies to this rental transaction only or to all future rental transactions. The hanger shall also notify the renter that he or she may make that change, prior to leaving the lot, by

1 returning the form to an employee designated to receive the form
2 who is present at the lot where the renter takes possession of the
3 car, to receive any change in the rental agreement from the renter.

4 (2) (A) This subdivision is not effective unless the employee
5 designated pursuant to subparagraph (E) of paragraph (8) of
6 subdivision (a) is actually present at the required location.

7 (B) This subdivision does not relieve the rental company from
8 the disclosures required to be made within the text of a contract
9 or holder in which the contract is placed; in or on an advertisement
10 containing a rental rate; or in a telephonic, in-person, or
11 computer-transmitted quotation or reservation.

12 (u) The amendments made to this section during the 2001–02
13 Regular Session of the Legislature do not affect litigation pending
14 on or before January 1, 2003, alleging a violation of Section 22325
15 of the Business and Professions Code as it read at the time the
16 action was commenced.

17 SEC. 1.5. Section 1936 of the Civil Code is amended to read:

18 1936. ~~(a) For the purpose of this section, the following~~
19 ~~definitions shall apply:~~

20 (1) ~~“Rental company” means a person or entity in the business~~
21 ~~of renting passenger vehicles to the public.~~

22 (2) ~~“Renter” means any person in a manner obligated under a~~
23 ~~contract for the lease or hire of a passenger vehicle from a rental~~
24 ~~company for a period of less than 30 days.~~

25 (3) ~~“Authorized driver” means (A) the renter, (B) the renter’s~~
26 ~~spouse if that person is a licensed driver and satisfies the rental~~
27 ~~company’s minimum age requirement, (C) the renter’s employer~~
28 ~~or coworker if he or she is engaged in business activity with the~~
29 ~~renter, is a licensed driver, and satisfies the rental company’s~~
30 ~~minimum age requirement, and (D) a person expressly listed by~~
31 ~~the rental company on the renter’s contract as an authorized driver.~~

32 (4) (A) ~~“Customer facility charge” means any fee, including~~
33 ~~an alternative fee, required by an airport to be collected by a rental~~
34 ~~company from a renter for any of the following purposes:~~

35 (i) ~~To finance, design, and construct consolidated airport car~~
36 ~~rental facilities.~~

37 (ii) ~~To finance, design, construct, and operate common-use~~
38 ~~transportation systems that move passengers between airport~~
39 ~~terminals and those consolidated car rental facilities, and acquire~~
40 ~~vehicles for use in that system.~~

1 ~~(iii) To finance, design, and construct terminal modifications~~
2 ~~solely to accommodate and provide customer access to~~
3 ~~common-use transportation systems.~~

4 ~~(B) The aggregate amount to be collected shall not exceed the~~
5 ~~reasonable costs, as determined by an independent audit paid for~~
6 ~~by the airport, to finance, design, and construct those facilities.~~
7 ~~Copies of the audit shall be provided to the Assembly and Senate~~
8 ~~Committees on Judiciary, the Assembly Committee on~~
9 ~~Transportation, and the Senate Committee on Transportation and~~
10 ~~Housing. In the case of a transportation system, the audit also shall~~
11 ~~consider the reasonable costs of providing the transit system or~~
12 ~~busing network. Notwithstanding clause (iii) of subparagraph (A),~~
13 ~~the fees designated as a customer facility charge shall not be used~~
14 ~~to pay for terminal expansion, gate expansion, runway expansion,~~
15 ~~changes in hours of operation, or changes in the number of flights~~
16 ~~arriving or departing from the airport.~~

17 ~~(C) Except as provided in subparagraph (D), the authorization~~
18 ~~given pursuant to this section for an airport to impose a customer~~
19 ~~facility charge shall become inoperative when the bonds used for~~
20 ~~financing are paid.~~

21 ~~(D) If a bond or other form of indebtedness is not used for~~
22 ~~financing, or the bond or other form of indebtedness used for~~
23 ~~financing has been paid, the Oakland International Airport may~~
24 ~~require the collection of a customer facility charge for a period of~~
25 ~~up to 10 years from the imposition of the charge for the purposes~~
26 ~~allowed by, and subject to the conditions imposed by, this section.~~

27 ~~(5) “Damage waiver” means a rental company’s agreement not~~
28 ~~to hold a renter liable for all or any portion of any damage or loss~~
29 ~~related to the rented vehicle, any loss of use of the rented vehicle,~~
30 ~~or any storage, impound, towing, or administrative charges.~~

31 ~~(6) “Electronic surveillance technology” means a technological~~
32 ~~method or system used to observe, monitor, or collect information,~~
33 ~~including telematics, Global Positioning System (GPS), wireless~~
34 ~~technology, or location-based technologies. “Electronic~~
35 ~~surveillance technology” does not include event data recorders~~
36 ~~(EDR), sensing and diagnostic modules (SDM), or other systems~~
37 ~~that are used either:~~

38 ~~(A) For the purpose of identifying, diagnosing, or monitoring~~
39 ~~functions related to the potential need to repair, service, or perform~~
40 ~~maintenance on the rental vehicle.~~

1 ~~(B) As part of the vehicle's airbag sensing and diagnostic system~~
2 ~~in order to capture safety systems-related data for retrieval after a~~
3 ~~crash has occurred or in the event that the collision sensors are~~
4 ~~activated to prepare the decisionmaking computer to make the~~
5 ~~determination to deploy or not to deploy the airbag.~~

6 ~~(7) "Estimated time for replacement" means the number of hours~~
7 ~~of labor, or fraction thereof, needed to replace damaged vehicle~~
8 ~~parts as set forth in collision damage estimating guides generally~~
9 ~~used in the vehicle repair business and commonly known as "crash~~
10 ~~books."~~

11 ~~(8) "Estimated time for repair" means a good faith estimate of~~
12 ~~the reasonable number of hours of labor, or fraction thereof, needed~~
13 ~~to repair damaged vehicle parts.~~

14 ~~(9) "Membership program" means a service offered by a rental~~
15 ~~company that permits customers to bypass the rental counter and~~
16 ~~go directly to the car previously reserved. A membership program~~
17 ~~shall meet all of the following requirements:~~

18 ~~(A) The renter initiates enrollment by completing an application~~
19 ~~on which the renter can specify a preference for type of vehicle~~
20 ~~and acceptance or declination of optional services.~~

21 ~~(B) The rental company fully discloses, prior to the enrollee's~~
22 ~~first rental as a participant in the program, all terms and conditions~~
23 ~~of the rental agreement as well as all required disclosures.~~

24 ~~(C) The renter may terminate enrollment at any time.~~

25 ~~(D) The rental company fully explains to the renter that~~
26 ~~designated preferences, as well as acceptance or declination of~~
27 ~~optional services, may be changed by the renter at any time for~~
28 ~~the next and future rentals.~~

29 ~~(E) An employee designated to receive the form specified in~~
30 ~~subparagraph (C) of paragraph (1) of subdivision (t) is present at~~
31 ~~the lot where the renter takes possession of the car, to receive any~~
32 ~~change in the rental agreement from the renter.~~

33 ~~(10) "Passenger vehicle" means a passenger vehicle as defined~~
34 ~~in Section 465 of the Vehicle Code.~~

35 ~~(b) Except as limited by subdivision (c), a rental company and~~
36 ~~a renter may agree that the renter will be responsible for no more~~
37 ~~than all of the following:~~

38 ~~(1) Physical or mechanical damage to the rented vehicle up to~~
39 ~~its fair market value, as determined in the customary market for~~

1 the sale of that vehicle, resulting from collision regardless of the
2 cause of the damage.

3 ~~(2) Loss due to theft of the rented vehicle up to its fair market~~
4 ~~value, as determined in the customary market for the sale of that~~
5 ~~vehicle, provided that the rental company establishes by clear and~~
6 ~~convincing evidence that the renter or the authorized driver failed~~
7 ~~to exercise ordinary care while in possession of the vehicle. In~~
8 ~~addition, the renter shall be presumed to have no liability for any~~
9 ~~loss due to theft if (A) an authorized driver has possession of the~~
10 ~~ignition key furnished by the rental company or an authorized~~
11 ~~driver establishes that the ignition key furnished by the rental~~
12 ~~company was not in the vehicle at the time of the theft, and (B) an~~
13 ~~authorized driver files an official report of the theft with the police~~
14 ~~or other law enforcement agency within 24 hours of learning of~~
15 ~~the theft and reasonably cooperates with the rental company and~~
16 ~~the police or other law enforcement agency in providing~~
17 ~~information concerning the theft. The presumption set forth in this~~
18 ~~paragraph is a presumption affecting the burden of proof which~~
19 ~~the rental company may rebut by establishing that an authorized~~
20 ~~driver committed, or aided and abetted the commission of, the~~
21 ~~theft.~~

22 ~~(3) Physical damage to the rented vehicle up to its fair market~~
23 ~~value, as determined in the customary market for the sale of that~~
24 ~~vehicle, resulting from vandalism occurring after, or in connection~~
25 ~~with, the theft of the rented vehicle. However, the renter shall have~~
26 ~~no liability for any damage due to vandalism if the renter would~~
27 ~~have no liability for theft pursuant to paragraph (2).~~

28 ~~(4) Physical damage to the rented vehicle up to a total of five~~
29 ~~hundred dollars (\$500) resulting from vandalism unrelated to the~~
30 ~~theft of the rented vehicle.~~

31 ~~(5) Actual charges for towing, storage, and impound fees paid~~
32 ~~by the rental company if the renter is liable for damage or loss.~~

33 ~~(6) An administrative charge, which shall include the cost of~~
34 ~~appraisal and all other costs and expenses incident to the damage,~~
35 ~~loss, repair, or replacement of the rented vehicle.~~

36 ~~(e) The total amount of the renter's liability to the rental~~
37 ~~company resulting from damage to the rented vehicle shall not~~
38 ~~exceed the sum of the following:~~

39 ~~(1) The estimated cost of parts which the rental company would~~
40 ~~have to pay to replace damaged vehicle parts. All discounts and~~

1 price reductions or adjustments that are or will be received by the
2 rental company shall be subtracted from the estimate to the extent
3 not already incorporated in the estimate, or otherwise promptly
4 credited or refunded to the renter.

5 (2) The estimated cost of labor to replace damaged vehicle parts,
6 which shall not exceed the product of (A) the rate for labor usually
7 paid by the rental company to replace vehicle parts of the type that
8 were damaged and (B) the estimated time for replacement. All
9 discounts and price reductions or adjustments that are or will be
10 received by the rental company shall be subtracted from the
11 estimate to the extent not already incorporated in the estimate, or
12 otherwise promptly credited or refunded to the renter.

13 (3) (A) The estimated cost of labor to repair damaged vehicle
14 parts, which shall not exceed the lesser of the following:

15 (i) The product of the rate for labor usually paid by the rental
16 company to repair vehicle parts of the type that were damaged and
17 the estimated time for repair.

18 (ii) The sum of the estimated labor and parts costs determined
19 under paragraphs (1) and (2) to replace the same vehicle parts.

20 (B) All discounts and price reductions or adjustments that are
21 or will be received by the rental company shall be subtracted from
22 the estimate to the extent not already incorporated in the estimate,
23 or otherwise promptly credited or refunded to the renter.

24 (4) For the purpose of converting the estimated time for repair
25 into the same units of time in which the rental rate is expressed, a
26 day shall be deemed to consist of eight hours.

27 (5) Actual charges for towing, storage, and impound fees paid
28 by the rental company.

29 (6) The administrative charge described in paragraph (6) of
30 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total
31 estimated cost for parts and labor is more than one hundred dollars
32 (\$100) up to and including five hundred dollars (\$500), (B) one
33 hundred dollars (\$100) if the total estimated cost for parts and
34 labor exceeds five hundred dollars (\$500) up to and including one
35 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
36 dollars (\$150) if the total estimated cost for parts and labor exceeds
37 one thousand five hundred dollars (\$1,500). An administrative
38 charge shall not be imposed if the total estimated cost of parts and
39 labor is one hundred dollars (\$100) or less.

~~(d) (1) The total amount of an authorized driver's liability to the rental company, if any, for damage occurring during the authorized driver's operation of the rented vehicle shall not exceed the amount of the renter's liability under subdivision (c).~~

~~(2) A rental company shall not recover from the renter or other authorized driver an amount exceeding the renter's liability under subdivision (c).~~

~~(3) A claim against a renter resulting from damage or loss, excluding loss of use, to a rental vehicle shall be reasonably and rationally related to the actual loss incurred. A rental company shall mitigate damages where possible and shall not assert or collect a claim for physical damage which exceeds the actual costs of the repairs performed or the estimated cost of repairs, if the rental company chooses not to repair the vehicle, including all discounts and price reductions. However, if the vehicle is a total loss vehicle, the claim shall not exceed the total loss vehicle value established in accordance with procedures that are customarily used by insurance companies when paying claims on total loss vehicles, less the proceeds from salvaging the vehicle, if those proceeds are retained by the rental company.~~

~~(4) If insurance coverage exists under the renter's applicable personal or business insurance policy and the coverage is confirmed during regular business hours, the renter may require that the rental company submit any claims to the renter's applicable personal or business insurance carrier. The rental company shall not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. For purposes of this paragraph, confirmation of coverage includes telephone confirmation from insurance company representatives during regular business hours. Upon request of the renter and after confirmation of coverage, the amount of claim shall be resolved between the insurance carrier and the rental company. The renter shall remain responsible for payment to the rental car company for any loss sustained that the renter's applicable personal or business insurance policy does not cover.~~

~~(5) A rental company shall not recover from the renter or other authorized driver for an item described in subdivision (b) to the extent the rental company obtains recovery from another person.~~

~~(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from~~

1 damage to the rented vehicle and not to the liability of another
2 person:

3 (e) (1) Except as provided in subdivision (f), a damage waiver
4 shall provide or, if not expressly stated in writing, shall be deemed
5 to provide that the renter has no liability for a damage, loss, loss
6 of use, or a cost or expense incident thereto.

7 (2) Except as provided in subdivision (f), every limitation,
8 exception, or exclusion to a damage waiver is void and
9 unenforceable.

10 (f) A rental company may provide in the rental contract that a
11 damage waiver does not apply under any of the following
12 circumstances:

13 (1) Damage or loss results from an authorized driver's (A)
14 intentional, willful, wanton, or reckless conduct, (B) operation of
15 the vehicle under the influence of drugs or alcohol in violation of
16 Section 23152 of the Vehicle Code, (C) towing or pushing
17 anything, or (D) operation of the vehicle on an unpaved road if
18 the damage or loss is a direct result of the road or driving
19 conditions.

20 (2) Damage or loss occurs while the vehicle is (A) used for
21 commercial hire, (B) used in connection with conduct that could
22 be properly charged as a felony, (C) involved in a speed test or
23 contest or in driver training activity, (D) operated by a person other
24 than an authorized driver, or (E) operated outside the United States.

25 (3) An authorized driver who has (A) provided fraudulent
26 information to the rental company, or (B) provided false
27 information and the rental company would not have rented the
28 vehicle if it had instead received true information.

29 (g) (1) A rental company that offers or provides a damage
30 waiver for any consideration in addition to the rental rate shall
31 clearly and conspicuously disclose the following information in
32 the rental contract or holder in which the contract is placed and,
33 also, in signs posted at the place, such as the counter, where the
34 renter signs the rental contract, and, for renters who are enrolled
35 in the rental company's membership program, in a sign that shall
36 be posted in a location clearly visible to those renters as they enter
37 the location where their reserved rental cars are parked or near the
38 exit of the bus or other conveyance that transports the enrollee to
39 a reserved car: (A) the nature of the renter's liability, such as
40 liability for all collision damage regardless of cause, (B) the extent

1 of the renter's liability, such as liability for damage or loss up to
2 a specified amount, (C) the renter's personal insurance policy or
3 the credit card used to pay for the car rental transaction may
4 provide coverage for all or a portion of the renter's potential
5 liability, (D) the renter should consult with his or her insurer to
6 determine the scope of insurance coverage, including the amount
7 of the deductible, if any, for which the renter is obligated, (E) the
8 renter may purchase an optional damage waiver to cover all
9 liability, subject to whatever exceptions the rental company
10 expressly lists that are permitted under subdivision (f), and (F) the
11 range of charges for the damage waiver.

12 (2) In addition to the requirements of paragraph (1), a rental
13 company that offers or provides a damage waiver shall orally
14 disclose to all renters, except those who are participants in the
15 rental company's membership program, that the damage waiver
16 may be duplicative of coverage that the customer maintains under
17 his or her own policy of motor vehicle insurance. The renter's
18 receipt of the oral disclosure shall be demonstrated through the
19 renter's acknowledging receipt of the oral disclosure near that part
20 of the contract where the renter indicates, by the renter's own
21 initials, his or her acceptance or declination of the damage waiver.
22 Adjacent to that same part, the contract also shall state that the
23 damage waiver is optional. Further, the contract for these renters
24 shall include a clear and conspicuous written disclosure that the
25 damage waiver may be duplicative of coverage that the customer
26 maintains under his or her own policy of motor vehicle insurance.

27 (3) The following is an example, for purposes of illustration
28 and not limitation, of a notice fulfilling the requirements of
29 paragraph (1) for a rental company that imposes liability on the
30 renter for collision damage to the full value of the vehicle:

31
32 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
33 AND OPTIONAL DAMAGE WAIVER
34

35 You are responsible for all collision damage to the rented vehicle
36 even if someone else caused it or the cause is unknown. You are
37 responsible for the cost of repair up to the value of the vehicle,
38 and towing, storage, and impound fees.

39 Your own insurance, or the issuer of the credit card you use to
40 pay for the car rental transaction, may cover all or part of your

1 financial responsibility for the rented vehicle. You should check
2 with your insurance company, or credit card issuer, to find out
3 about your coverage and the amount of the deductible, if any, for
4 which you may be liable.

5 Further, if you use a credit card that provides coverage for your
6 potential liability, you should check with the issuer to determine
7 if you must first exhaust the coverage limits of your own insurance
8 before the credit card coverage applies.

9 The rental company will not hold you responsible if you buy a
10 damage waiver. But a damage waiver will not protect you if (list
11 exceptions).”

12 (A) When the above notice is printed in the rental contract or
13 holder in which the contract is placed, the following shall be printed
14 immediately following the notice:

15 “The cost of an optional damage waiver is \$_____ for every (day
16 or week).”

17 (B) When the above notice appears on a sign, the following
18 shall appear immediately adjacent to the notice:

19 “The cost of an optional damage waiver is \$_____ to \$_____ for
20 every (day or week), depending upon the vehicle rented.”

21 (h) Notwithstanding any other provision of law, a rental
22 company may sell a damage waiver subject to the following rate
23 limitations for each full or partial 24-hour rental day for the damage
24 waiver.

25 (1) For rental vehicles that the rental company designates as an
26 “economy car,” “subcompact car,” “compact car,” or another term
27 having similar meaning when offered for rental, or another vehicle
28 having a manufacturer’s suggested retail price of nineteen thousand
29 dollars (\$19,000) or less, the rate shall not exceed nine dollars
30 (\$9).

31 (2) For rental vehicles that have a manufacturer’s suggested
32 retail price from nineteen thousand one dollars (\$19,001) to
33 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),
34 inclusive, and that are also either vehicles of next year’s model,
35 or not older than the previous year’s model, the rate shall not
36 exceed fifteen dollars (\$15). For those rental vehicles older than
37 the previous year’s model-year, the rate shall not exceed nine
38 dollars (\$9).

39 (i) The manufacturer’s suggested retail prices described in
40 subdivision (h) shall be adjusted annually to reflect changes from

1 the previous year in the Consumer Price Index. For the purposes
2 of this section, “Consumer Price Index” means the United States
3 Consumer Price Index for All Urban Consumers, for all items.

4 ~~(j) A rental company that disseminates in this state an~~
5 ~~advertisement containing a rental rate shall include in that~~
6 ~~advertisement a clearly readable statement of the charge for a~~
7 ~~damage waiver and a statement that a damage waiver is optional.~~

8 ~~(k) (1) A rental company shall not require the purchase of a~~
9 ~~damage waiver, optional insurance, or another optional good or~~
10 ~~service.~~

11 ~~(2) A rental company shall not engage in any unfair, deceptive,~~
12 ~~or coercive conduct to induce a renter to purchase the damage~~
13 ~~waiver, optional insurance, or another optional good or service,~~
14 ~~including conduct such as, but not limited to, refusing to honor~~
15 ~~the renter’s reservation, limiting the availability of vehicles,~~
16 ~~requiring a deposit, or debiting or blocking the renter’s credit card~~
17 ~~account for a sum equivalent to a deposit if the renter declines to~~
18 ~~purchase the damage waiver, optional insurance, or another~~
19 ~~optional good or service.~~

20 ~~(l) (1) In the absence of express permission granted by the~~
21 ~~renter subsequent to damage to, or loss of, the vehicle, a rental~~
22 ~~company shall not seek to recover any portion of a claim arising~~
23 ~~out of damage to, or loss of, the rented vehicle by processing a~~
24 ~~credit card charge or causing a debit or block to be placed on the~~
25 ~~renter’s credit card account.~~

26 ~~(2) A rental company shall not engage in any unfair, deceptive,~~
27 ~~or coercive tactics in attempting to recover or in recovering on any~~
28 ~~claim arising out of damage to, or loss of, the rented vehicle.~~

29 ~~(m) (1) A customer facility charge may be collected by a rental~~
30 ~~company under the following circumstances:~~

31 ~~(A) Collection of the fee by the rental company is required by~~
32 ~~an airport operated by a city, a county, a city and county, a joint~~
33 ~~powers authority, a special district, or the San Diego County~~
34 ~~Regional Airport Authority formed pursuant to Division 17~~
35 ~~(commencing with Section 170000) of the Public Utilities Code.~~

36 ~~(B) The fee is calculated on a per contract basis or as provided~~
37 ~~in paragraph (2).~~

38 ~~(C) The fee is a user fee, not a tax imposed upon real property~~
39 ~~or an incidence of property ownership under Article XIII D of the~~
40 ~~California Constitution.~~

1 ~~(D) Except as otherwise provided in subparagraph (E), the fee~~
2 ~~shall be ten dollars (\$10) per contract or the amount provided in~~
3 ~~paragraph (2).~~

4 ~~(E) The fee for a consolidated rental car facility shall be~~
5 ~~collected only from customers of on-airport rental car companies.~~
6 ~~If the fee imposed by the airport is for both a consolidated rental~~
7 ~~car facility and a common-use transportation system, the fee~~
8 ~~collected from customers of on-airport rental car companies shall~~
9 ~~be ten dollars (\$10) or the amount provided in paragraph (2), but~~
10 ~~the fee imposed on customers of off-airport rental car companies~~
11 ~~who are transported on the common-use transportation system is~~
12 ~~proportionate to the costs of the common-use transportation system~~
13 ~~only. The fee is uniformly applied to each class of on-airport or~~
14 ~~off-airport customers, provided that the airport requires off-airport~~
15 ~~customers to use the common-use transportation system.~~

16 ~~(F) Revenues collected from the fee do not exceed the reasonable~~
17 ~~costs of financing, designing, and constructing the facility and~~
18 ~~financing, designing, constructing, and operating any common-use~~
19 ~~transportation system, or acquiring vehicles for use in that system,~~
20 ~~and shall not be used for any other purpose.~~

21 ~~(G) The fee is separately identified on the rental agreement.~~

22 ~~(H) This paragraph does not apply to airports the fees of which~~
23 ~~are governed by Section 50474.1 of the Government Code or~~
24 ~~Section 57.5 of the San Diego Unified Port District Act.~~

25 ~~(I) For any airport seeking to require rental car companies to~~
26 ~~collect an alternative customer facility charge pursuant to paragraph~~
27 ~~(2), the following provisions apply:~~

28 ~~(i) Notwithstanding Section 10231.5 of the Government Code,~~
29 ~~the airport shall provide reports on an annual basis to the Senate~~
30 ~~and Assembly Committees on Judiciary detailing all of the~~
31 ~~following:~~

32 ~~(I) The total amount of the customer facility charge collected.~~

33 ~~(II) How the funds are being spent.~~

34 ~~(III) The amount of and reason for any changes in the airport's~~
35 ~~budget or financial needs for the facility or common-use~~
36 ~~transportation system.~~

37 ~~(IV) Whether airport concession fees authorized by Section~~
38 ~~1936.01 have increased since the prior report, if any.~~

39 ~~(ii) The airport shall complete the independent audit required~~
40 ~~by subparagraph (B) of paragraph (4) of subdivision (a) prior to~~

~~1 initial collection of the customer facility charge, prior to any
2 increase pursuant to paragraph (2), and every three years after
3 initial collection and any increase until such time as the fee
4 authorization becomes inoperative pursuant to subparagraph (C)
5 of paragraph (4) of subdivision (a). The Controller shall review
6 those audits and independently examine and substantiate the
7 necessity for and the amount of the customer facility charge. The
8 Controller's costs shall be reimbursed by the individual airport
9 being audited. Notwithstanding Section 10231.5 of the Government
10 Code, the Controller shall report to the Legislature on its
11 conclusions, including whether the airport's actual or projected
12 costs are supported and justified, any steps the airport may take to
13 limit costs, potential alternatives for meeting the airport's revenue
14 needs other than the collection of the fee, and whether and to what
15 extent car rental companies or other businesses or individuals using
16 the facility or common-use transportation system may pay for the
17 costs associated with these facilities and systems other than the
18 fee from rental customers, or whether the airport did not comply
19 with any provision of this subparagraph.~~

~~20 (iii) Use of the bonds shall be limited to construction and design
21 of the consolidated rental car facility, terminal modifications, and
22 operating costs of the common-use transportation system, as
23 specified in paragraph (4) of subdivision (a).~~

~~24 (2) Any airport may require rental car companies to collect an
25 alternative customer facility charge under the following conditions:~~

~~26 (A) The airport first conducts a publicly noticed hearing pursuant
27 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
28 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
29 to review the costs of financing the design and construction of a
30 consolidated rental car facility and the design, construction, and
31 operation of any common-use transportation system in which all
32 of the following occur:~~

~~33 (i) The airport establishes the amount of revenue necessary to
34 finance the reasonable cost to design and construct a consolidated
35 rental car facility and to design, construct, and operate any
36 common-use transportation system, or acquire vehicles for use in
37 that system, based on evidence presented during the hearing.~~

~~38 (ii) The airport finds, based on evidence presented during the
39 hearing, that the fee authorized in paragraph (1) will not generate
40 sufficient revenue to finance the reasonable costs to design and~~

1 ~~construct a consolidated rental car facility and to design, construct,~~
2 ~~and operate any common-use transportation system, or acquire~~
3 ~~vehicles for use in that system.~~

4 ~~(iii) The airport finds that the reasonable cost of the project~~
5 ~~requires the additional amount of revenue that would be generated~~
6 ~~by the proposed daily rate, including any rate increase, authorized~~
7 ~~pursuant to this paragraph.~~

8 ~~(iv) The airport outlines each of the following:~~

9 ~~(I) Steps it has taken to limit costs.~~

10 ~~(II) Other potential alternatives for meeting its revenue needs~~
11 ~~other than the collection of the fee.~~

12 ~~(III) The extent to which rental car companies or other~~
13 ~~businesses or individuals using the facility or common-use~~
14 ~~transportation system will pay for the costs associated with these~~
15 ~~facilities and systems other than the fee from rental customers.~~

16 ~~(v) The Controller reviews and substantiates the need for and~~
17 ~~amount of the fee pursuant to clause (ii) of subparagraph (I) of~~
18 ~~paragraph (1).~~

19 ~~(B) The airport may not require the fee authorized in this~~
20 ~~paragraph to be collected at any time that the fee authorized in~~
21 ~~paragraph (1) of this subdivision is being collected.~~

22 ~~(C) Pursuant to the procedure set forth in this subdivision, the~~
23 ~~fee may be collected at a rate charged on a per-day basis subject~~
24 ~~to the following conditions:~~

25 ~~(i) Commencing January 1, 2011, the amount of the fee may~~
26 ~~not exceed six dollars (\$6) per day.~~

27 ~~(ii) Commencing January 1, 2014, the amount of the fee may~~
28 ~~not exceed seven dollars and fifty cents (\$7.50) per day.~~

29 ~~(iii) Commencing January 1, 2017, and thereafter, the amount~~
30 ~~of the fee may not exceed nine dollars (\$9) per day.~~

31 ~~(iv) At no time shall the fee authorized in this paragraph be~~
32 ~~collected from any customer for more than five days for each~~
33 ~~individual rental car contract.~~

34 ~~(v) An airport subject to this paragraph shall initiate the process~~
35 ~~for obtaining the authority to require or increase the alternative~~
36 ~~fee no later than January 1, 2018. Any airport that obtains the~~
37 ~~authority to require or increase an alternative fee shall be authorized~~
38 ~~to continue collecting that fee until the fee authorization becomes~~
39 ~~inoperative pursuant to subparagraph (C) of paragraph (4) of~~
40 ~~subdivision (a).~~

~~(3) Notwithstanding any other provision of law, including, but not limited to, Part 1 (commencing with Section 6001) to Part 1.7 (commencing with Section 7280), inclusive, of Division 2 of the Revenue and Taxation Code, the fees collected pursuant to this section, or another law whereby a local agency operating an airport requires a rental car company to collect a facility financing fee from its customers, are not subject to sales, use, or transaction taxes.~~

~~(n) (1) A rental company shall only advertise, quote, and charge a rental rate that includes the entire amount except taxes, a customer facility charge, if any, and a mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. A rental company shall not charge in addition to the rental rate, taxes, a customer facility charge, if any, and a mileage charge, if any, any fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle, including, but not limited to, required fuel or airport surcharges other than customer facility charges, nor a fee for transporting the renter to the location where the rented vehicle will be delivered to the renter.~~

~~(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.~~

~~(3) A rental company shall not charge a fee for authorized drivers in addition to the rental charge for an individual renter.~~

~~(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall disclose clearly in that advertisement or~~

1 quotation the terms of mileage conditions relating to the advertised
2 or quoted rental rate, including, but not limited to, to the extent
3 applicable, the amount of mileage and gas charges, the number of
4 miles for which no charges will be imposed, and a description of
5 geographic driving limitations within the United States and Canada.

6 ~~(5) (A) When a rental rate is stated in an advertisement,~~
7 ~~quotation, or reservation in connection with a car rental at an airport~~
8 ~~where a customer facility charge is imposed, the rental company~~
9 ~~shall disclose clearly the existence and amount of the customer~~
10 ~~facility charge. For purposes of this subparagraph, advertisements~~
11 ~~include radio, television, other electronic media, and print~~
12 ~~advertisements. For purposes of this subparagraph, quotations and~~
13 ~~reservations include those that are telephonic, in-person, and~~
14 ~~computer-transmitted. If the rate advertisement is intended to~~
15 ~~include transactions at more than one airport imposing a customer~~
16 ~~facility charge, a range of fees may be stated in the advertisement.~~
17 ~~However, all rate advertisements that include car rentals at airport~~
18 ~~destinations shall clearly and conspicuously include a toll-free~~
19 ~~telephone number whereby a customer can be told the specific~~
20 ~~amount of the customer facility charge to which the customer will~~
21 ~~be obligated.~~

22 ~~(B) If a person or entity other than a rental car company,~~
23 ~~including a passenger carrier or a seller of travel services, advertises~~
24 ~~or quotes a rate for a car rental at an airport where a customer~~
25 ~~facility charge is imposed, that person or entity shall, provided~~
26 ~~that he, she, or it is provided with information about the existence~~
27 ~~and amount of the fee, to the extent not specifically prohibited by~~
28 ~~federal law, clearly disclose the existence and amount of the fee~~
29 ~~in any telephonic, in-person, or computer-transmitted quotation at~~
30 ~~the time of making an initial quotation of a rental rate and at the~~
31 ~~time of making a reservation of a rental car. If a rental car company~~
32 ~~provides the person or entity with rate and customer facility charge~~
33 ~~information, the rental car company is not responsible for the~~
34 ~~failure of that person or entity to comply with this subparagraph~~
35 ~~when quoting or confirming a rate to a third person or entity.~~

36 ~~(6) If a rental company delivers a vehicle to a renter at a location~~
37 ~~other than the location where the rental company normally carries~~
38 ~~on its business, the rental company shall not charge the renter an~~
39 ~~amount for the rental for the period before the delivery of the~~
40 ~~vehicle. If a rental company picks up a rented vehicle from a renter~~

1 at a location other than the location where the rental company
2 normally carries on its business, the rental company shall not
3 charge the renter an amount for the rental for the period after the
4 renter notifies the rental company to pick up the vehicle.

5 (o) A rental company shall not use, access, or obtain any
6 information relating to the renter's use of the rental vehicle that
7 was obtained using electronic surveillance technology, except in
8 the following circumstances:

9 (1) (A) When the equipment is used by the rental company
10 only for the purpose of locating a stolen, abandoned, or missing
11 rental vehicle after one of the following:

12 (i) The renter or law enforcement has informed the rental
13 company that the vehicle is missing or has been stolen or
14 abandoned.

15 (ii) The rental vehicle has not been returned following one week
16 after the contracted return date, or by one week following the end
17 of an extension of that return date.

18 (iii) The rental company discovers the rental vehicle has been
19 stolen or abandoned, and, if stolen, it shall report the vehicle stolen
20 to law enforcement by filing a stolen vehicle report, unless law
21 enforcement has already informed the rental company that the
22 vehicle is missing or has been stolen or abandoned.

23 (B) If electronic surveillance technology is activated pursuant
24 to subparagraph (A), a rental company shall maintain a record, in
25 either electronic or written form, of information relevant to the
26 activation of that technology. That information shall include the
27 rental agreement, including the return date, and the date and time
28 the electronic surveillance technology was activated. The record
29 shall also include, if relevant, a record of written or other
30 communication with the renter, including communications
31 regarding extensions of the rental, police reports, or other written
32 communication with law enforcement officials. The record shall
33 be maintained for a period of at least 12 months from the time the
34 record is created and shall be made available upon the renter's
35 request. The rental company shall maintain and furnish explanatory
36 codes necessary to read the record. A rental company shall not be
37 required to maintain a record if electronic surveillance technology
38 is activated to recover a rental vehicle that is stolen or missing at
39 a time other than during a rental period.

1 ~~(2) In response to a specific request from law enforcement~~
2 ~~pursuant to a subpoena or search warrant.~~

3 ~~(3) This subdivision does not prohibit a rental company from~~
4 ~~equipping rental vehicles with GPS-based technology that provides~~
5 ~~navigation assistance to the occupants of the rental vehicle, if the~~
6 ~~rental company does not use, access, or obtain information relating~~
7 ~~to the renter's use of the rental vehicle that was obtained using~~
8 ~~that technology, except for the purposes of discovering or repairing~~
9 ~~a defect in the technology and the information may then be used~~
10 ~~only for that purpose.~~

11 ~~(4) This subdivision does not prohibit a rental company from~~
12 ~~equipping rental vehicles with electronic surveillance technology~~
13 ~~that allows for the remote locking or unlocking of the vehicle at~~
14 ~~the request of the renter, if the rental company does not use, access,~~
15 ~~or obtain information relating to the renter's use of the rental~~
16 ~~vehicle that was obtained using that technology, except as~~
17 ~~necessary to lock or unlock the vehicle.~~

18 ~~(5) This subdivision does not prohibit a rental company from~~
19 ~~equipping rental vehicles with electronic surveillance technology~~
20 ~~that allows the company to provide roadside assistance, such as~~
21 ~~towing, flat tire, or fuel services, at the request of the renter, if the~~
22 ~~rental company does not use, access, or obtain information relating~~
23 ~~to the renter's use of the rental vehicle that was obtained using~~
24 ~~that technology except as necessary to provide the requested~~
25 ~~roadside assistance.~~

26 ~~(6) This subdivision does not prohibit a rental company from~~
27 ~~obtaining, accessing, or using information from electronic~~
28 ~~surveillance technology for the sole purpose of determining the~~
29 ~~date and time the vehicle is returned to the rental company, and~~
30 ~~the total mileage driven and the vehicle fuel level of the returned~~
31 ~~vehicle. This paragraph, however, shall apply only after the renter~~
32 ~~has returned the vehicle to the rental company, and the information~~
33 ~~shall only be used for the purpose described in this paragraph.~~

34 ~~(p) A rental company shall not use electronic surveillance~~
35 ~~technology to track a renter in order to impose fines or surcharges~~
36 ~~relating to the renter's use of the rental vehicle.~~

37 ~~(q) A renter may bring an action against a rental company for~~
38 ~~the recovery of damages and appropriate equitable relief for a~~
39 ~~violation of this section. The prevailing party shall be entitled to~~
40 ~~recover reasonable attorney's fees and costs.~~

~~(r) A rental company that brings an action against a renter for loss due to theft of the vehicle shall bring the action in the county in which the renter resides or, if the renter is not a resident of this state, in the jurisdiction in which the renter resides.~~

~~(s) A waiver of any of the provisions of this section shall be void and unenforceable as contrary to public policy.~~

~~(t) (1) A rental company's disclosure requirements shall be satisfied for renters who are enrolled in the rental company's membership program if all of the following conditions are met:~~

~~(A) Prior to the enrollee's first rental as a participant in the program, the renter receives, in writing, the following:~~

~~(i) All of the disclosures required by paragraph (1) of subdivision (g), including the terms and conditions of the rental agreement then in effect.~~

~~(ii) An Internet Web site address, as well as a contact number or address, where the enrollee can learn of changes to the rental agreement or to the laws of this state governing rental agreements since the effective date of the rental company's most recent restatement of the rental agreement and distribution of that restatement to its members.~~

~~(B) At the commencement of each rental period, the renter is provided, on the rental record or the folder in which it is inserted, with a printed notice stating that he or she had either previously selected or declined an optional damage waiver and that the renter has the right to change preferences.~~

~~(C) At the commencement of each rental period, the rental company provides, on the rearview mirror, a hanger on which a statement is printed, in a box, in at least 12-point boldface type, notifying the renter that the collision damage waiver offered by the rental company may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. If it is not feasible to hang the statement from the rearview mirror, it shall be hung from the steering wheel.~~

~~The hanger shall provide the renter a box to initial if he or she (not his or her employer) has previously accepted or declined the collision damage waiver and that he or she now wishes to change his or her decision to accept or decline the collision damage waiver, as follows:~~

~~—“☐ If I previously accepted the collision damage waiver, I now decline it.~~

1 ~~– If I previously declined the collision damage waiver, I now~~
2 ~~accept it.”~~

3 ~~The hanger shall also provide a box for the enrollee to indicate~~
4 ~~whether this change applies to this rental transaction only or to all~~
5 ~~future rental transactions. The hanger shall also notify the renter~~
6 ~~that he or she may make that change, prior to leaving the lot, by~~
7 ~~returning the form to an employee designated to receive the form~~
8 ~~who is present at the lot where the renter takes possession of the~~
9 ~~rental vehicle, to receive any change in the rental agreement from~~
10 ~~the renter.~~

11 ~~(2) (A) This subdivision is not effective unless the employee~~
12 ~~designated pursuant to subparagraph (E) of paragraph (8) of~~
13 ~~subdivision (a) is actually present at the required location.~~

14 ~~(B) This subdivision does not relieve the rental company from~~
15 ~~the disclosures required to be made within the text of a contract~~
16 ~~or holder in which the contract is placed; in or on an advertisement~~
17 ~~containing a rental rate; or in a telephonic, in-person, or~~
18 ~~computer-transmitted quotation or reservation.~~

19 ~~(u) The amendments made to this section during the 2001–02~~
20 ~~Regular Session of the Legislature do not affect litigation pending~~
21 ~~on or before January 1, 2003, alleging a violation of Section 22325~~
22 ~~of the Business and Professions Code as it read at the time the~~
23 ~~action was commenced.~~

24 ~~(v) (1) When a rental company enters into a contract in the~~
25 ~~State of California for rental of a vehicle to any renter who is not~~
26 ~~a resident of this country, and as part of, or associated with, that~~
27 ~~rental agreement, supplemental liability insurance, as described~~
28 ~~in subdivision (b) of Section 1758.85 of the Insurance Code, is~~
29 ~~provided by the rental company for loss or damage caused to a~~
30 ~~third party, the rental company shall do all of the following:~~

31 ~~(A) Accept service of process of any complaint against the renter~~
32 ~~related to any harm, loss, or damage related to the use or operation~~
33 ~~of the rental vehicle. Process may be served by first-class mail,~~
34 ~~return receipt requested, or by personal service by a registered~~
35 ~~agent of service of process on file with the Secretary of State and~~
36 ~~Consumer Services.~~

37 ~~(B) Provide a copy of any summons and complaint served~~
38 ~~pursuant to subparagraph (A) to the renter by first-class mail, return~~
39 ~~receipt requested, or registered mail.~~

1 ~~(2) Any plaintiff, or his or her representative, who elects to serve~~
2 ~~the renter by delivering a copy of the summons and complaint to~~
3 ~~the rental company pursuant to subparagraph (A) of paragraph (1)~~
4 ~~shall agree to limit his or her recovery against the renter or the~~
5 ~~rental company to the limits of the protection extended by the~~
6 ~~supplemental liability insurance.~~

7 ~~(3) Notwithstanding any other provision of law, the requirement~~
8 ~~that the rental company accept service of process pursuant to~~
9 ~~subparagraph (A) of paragraph (1) shall not create any duty,~~
10 ~~obligation, or agency relationship other than that provided in~~
11 ~~subparagraph (B) of paragraph (1).~~

12 ~~(4) The provisions of this subdivision shall become inoperative~~
13 ~~on December 31, 2013, unless another statute is enacted before~~
14 ~~December 31, 2013, that deletes or extends that date.~~

15 *SEC. 1.1. Section 1936 of the Civil Code is amended to read:*
16 1936. (a) For the purpose of this section, the following
17 definitions shall apply:

18 (1) “Rental company” means a person or entity in the business
19 of renting passenger vehicles to the public.

20 (2) “Renter” means any person in a manner obligated under a
21 contract for the lease or hire of a passenger vehicle from a rental
22 company for a period of less than 30 days.

23 (3) “Authorized driver” means (A) the renter, (B) the renter’s
24 spouse if that person is a licensed driver and satisfies the rental
25 company’s minimum age requirement, (C) the renter’s employer
26 or coworker if he or she is engaged in business activity with the
27 renter, is a licensed driver, and satisfies the rental company’s
28 minimum age requirement, and (D) a person expressly listed by
29 the rental company on the renter’s contract as an authorized driver.

30 (4) (A) “Customer facility charge” means ~~a fee~~ *any fee,*
31 ~~including an alternative fee,~~ required by an airport to be collected
32 by a rental company from a renter for ~~either~~ *any* of the following
33 purposes:

34 (i) To finance, design, and construct consolidated airport car
35 rental facilities.

36 (ii) To finance, design, construct, and ~~provide~~ *operate*
37 common-use transportation systems that move passengers between
38 airport terminals and those consolidated car rental facilities, *and*
39 *acquire vehicles for use in that system.*

1 (iii) *To finance, design, and construct terminal modifications*
2 *solely to accommodate and provide customer access to*
3 *common-use transportation systems.*

4 (B) The aggregate amount to be collected shall not exceed the
5 reasonable costs, as determined by an independent audit paid for
6 by the airport, to finance, design, and construct those facilities.
7 Copies of the audit shall be provided to the Assembly and Senate
8 Committees on Judiciary, the Assembly Committee on
9 Transportation, and the Senate Committee on Transportation and
10 Housing. In the case of a transportation system, the audit also shall
11 consider the reasonable costs of providing the transit system or
12 busing network. ~~At the Burbank Airport, and at all other airports~~
13 ~~Notwithstanding clause (iii) of subparagraph (A),~~ the fees
14 designated as a customer facility charge shall not be used to pay
15 for terminal expansion, gate expansion, runway expansion, changes
16 in hours of operation, or changes in the number of flights arriving
17 or departing from the airport.

18 (C) Except as provided in subparagraph (D), the authorization
19 given pursuant to this section for an airport to impose a customer
20 facility charge shall become inoperative when the bonds used for
21 financing are paid.

22 (D) If a bond or other form of indebtedness is not used for
23 financing, or the bond or other form of indebtedness used for
24 financing has been paid, the Oakland International Airport may
25 require the collection of a customer facility charge for a period of
26 up to 10 years from the imposition of the charge for the purposes
27 allowed by, and subject to the conditions imposed by, this section.

28 (5) “Damage waiver” means a rental company’s agreement not
29 to hold a renter liable for all or any portion of any damage or loss
30 related to the rented vehicle, any loss of use of the rented vehicle,
31 or any storage, impound, towing, or administrative charges.

32 (6) “Electronic surveillance technology” means a technological
33 method or system used to observe, monitor, or collect information,
34 including telematics, Global Positioning System (GPS), wireless
35 technology, or location-based technologies. “Electronic
36 surveillance technology” does not include event data recorders
37 (EDR), sensing and diagnostic modules (SDM), or other systems
38 that are used either:

1 (A) For the purpose of identifying, diagnosing, or monitoring
2 functions related to the potential need to repair, service, or perform
3 maintenance on the rental vehicle.

4 (B) As part of the vehicle's airbag sensing and diagnostic system
5 in order to capture safety systems-related data for retrieval after a
6 crash has occurred or in the event that the collision sensors are
7 activated to prepare the decisionmaking computer to make the
8 determination to deploy or not to deploy the airbag.

9 (7) "Estimated time for replacement" means the number of hours
10 of labor, or fraction thereof, needed to replace damaged vehicle
11 parts as set forth in collision damage estimating guides generally
12 used in the vehicle repair business and commonly known as "crash
13 books."

14 (8) "Estimated time for repair" means a good faith estimate of
15 the reasonable number of hours of labor, or fraction thereof, needed
16 to repair damaged vehicle parts.

17 (9) "Membership program" means a service offered by a rental
18 company that permits customers to bypass the rental counter and
19 go directly to the car previously reserved. A membership program
20 shall meet all of the following requirements:

21 (A) The renter initiates enrollment by completing an application
22 on which the renter can specify a preference for type of vehicle
23 and acceptance or declination of optional services.

24 (B) The rental company fully discloses, prior to the enrollee's
25 first rental as a participant in the program, all terms and conditions
26 of the rental agreement as well as all required disclosures.

27 (C) The renter may terminate enrollment at any time.

28 (D) The rental company fully explains to the renter that
29 designated preferences, as well as acceptance or declination of
30 optional services, may be changed by the renter at any time for
31 the next and future rentals.

32 (E) An employee designated to receive the form specified in
33 subparagraph (C) of paragraph (1) of subdivision (t) is present at
34 the lot where the renter takes possession of the car, to receive any
35 change in the rental agreement from the renter.

36 (10) "Passenger vehicle" means a passenger vehicle as defined
37 in Section 465 of the Vehicle Code.

38 (b) Except as limited by subdivision (c), a rental company and
39 a renter may agree that the renter will be responsible for no more
40 than all of the following:

1 (1) Physical or mechanical damage to the rented vehicle up to
2 its fair market value, as determined in the customary market for
3 the sale of that vehicle, resulting from collision regardless of the
4 cause of the damage.

5 (2) Loss due to theft of the rented vehicle up to its fair market
6 value, as determined in the customary market for the sale of that
7 vehicle, provided that the rental company establishes by clear and
8 convincing evidence that the renter or the authorized driver failed
9 to exercise ordinary care while in possession of the vehicle. In
10 addition, the renter shall be presumed to have no liability for any
11 loss due to theft if (A) an authorized driver has possession of the
12 ignition key furnished by the rental company or an authorized
13 driver establishes that the ignition key furnished by the rental
14 company was not in the vehicle at the time of the theft, and (B) an
15 authorized driver files an official report of the theft with the police
16 or other law enforcement agency within 24 hours of learning of
17 the theft and reasonably cooperates with the rental company and
18 the police or other law enforcement agency in providing
19 information concerning the theft. The presumption set forth in this
20 paragraph is a presumption affecting the burden of proof which
21 the rental company may rebut by establishing that an authorized
22 driver committed, or aided and abetted the commission of, the
23 theft.

24 (3) Physical damage to the rented vehicle up to its fair market
25 value, as determined in the customary market for the sale of that
26 vehicle, resulting from vandalism occurring after, or in connection
27 with, the theft of the rented vehicle. However, the renter shall have
28 no liability for any damage due to vandalism if the renter would
29 have no liability for theft pursuant to paragraph (2).

30 (4) Physical damage to the rented vehicle up to a total of five
31 hundred dollars (\$500) resulting from vandalism unrelated to the
32 theft of the rented vehicle.

33 (5) Actual charges for towing, storage, and impound fees paid
34 by the rental company if the renter is liable for damage or loss.

35 (6) An administrative charge, which shall include the cost of
36 appraisal and all other costs and expenses incident to the damage,
37 loss, repair, or replacement of the rented vehicle.

38 (c) The total amount of the renter's liability to the rental
39 company resulting from damage to the rented vehicle shall not
40 exceed the sum of the following:

1 (1) The estimated cost of parts which the rental company would
2 have to pay to replace damaged vehicle parts. All discounts and
3 price reductions or adjustments that are or will be received by the
4 rental company shall be subtracted from the estimate to the extent
5 not already incorporated in the estimate, or otherwise promptly
6 credited or refunded to the renter.

7 (2) The estimated cost of labor to replace damaged vehicle parts,
8 which shall not exceed the product of (A) the rate for labor usually
9 paid by the rental company to replace vehicle parts of the type that
10 were damaged and (B) the estimated time for replacement. All
11 discounts and price reductions or adjustments that are or will be
12 received by the rental company shall be subtracted from the
13 estimate to the extent not already incorporated in the estimate, or
14 otherwise promptly credited or refunded to the renter.

15 (3) (A) The estimated cost of labor to repair damaged vehicle
16 parts, which shall not exceed the lesser of the following:

17 (i) The product of the rate for labor usually paid by the rental
18 company to repair vehicle parts of the type that were damaged and
19 the estimated time for repair.

20 (ii) The sum of the estimated labor and parts costs determined
21 under paragraphs (1) and (2) to replace the same vehicle parts.

22 (B) All discounts and price reductions or adjustments that are
23 or will be received by the rental company shall be subtracted from
24 the estimate to the extent not already incorporated in the estimate,
25 or otherwise promptly credited or refunded to the renter.

26 (4) For the purpose of converting the estimated time for repair
27 into the same units of time in which the rental rate is expressed, a
28 day shall be deemed to consist of eight hours.

29 (5) Actual charges for towing, storage, and impound fees paid
30 by the rental company.

31 (6) The administrative charge described in paragraph (6) of
32 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total
33 estimated cost for parts and labor is more than one hundred dollars
34 (\$100) up to and including five hundred dollars (\$500), (B) one
35 hundred dollars (\$100) if the total estimated cost for parts and
36 labor exceeds five hundred dollars (\$500) up to and including one
37 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
38 dollars (\$150) if the total estimated cost for parts and labor exceeds
39 one thousand five hundred dollars (\$1,500). An administrative

1 charge shall not be imposed if the total estimated cost of parts and
2 labor is one hundred dollars (\$100) or less.

3 (d) (1) The total amount of an authorized driver's liability to
4 the rental company, if any, for damage occurring during the
5 authorized driver's operation of the rented vehicle shall not exceed
6 the amount of the renter's liability under subdivision (c).

7 (2) A rental company shall not recover from the renter or other
8 authorized driver an amount exceeding the renter's liability under
9 subdivision (c).

10 (3) A claim against a renter resulting from damage or loss,
11 excluding loss of use, to a rental vehicle shall be reasonably and
12 rationally related to the actual loss incurred. A rental company
13 shall mitigate damages where possible and shall not assert or collect
14 a claim for physical damage which exceeds the actual costs of the
15 repairs performed or the estimated cost of repairs, if the rental
16 company chooses not to repair the vehicle, including all discounts
17 and price reductions. However, if the vehicle is a total loss vehicle,
18 the claim shall not exceed the total loss vehicle value established
19 in accordance with procedures that are customarily used by
20 insurance companies when paying claims on total loss vehicles,
21 less the proceeds from salvaging the vehicle, if those proceeds are
22 retained by the rental company.

23 (4) If insurance coverage exists under the renter's applicable
24 personal or business insurance policy and the coverage is confirmed
25 during regular business hours, the renter may require that the rental
26 company submit any claims to the renter's applicable personal or
27 business insurance carrier. The rental company shall not make any
28 written or oral representations that it will not present claims or
29 negotiate with the renter's insurance carrier. For purposes of this
30 paragraph, confirmation of coverage includes telephone
31 confirmation from insurance company representatives during
32 regular business hours. Upon request of the renter and after
33 confirmation of coverage, the amount of claim shall be resolved
34 between the insurance carrier and the rental company. The renter
35 shall remain responsible for payment to the rental car company
36 for any loss sustained that the renter's applicable personal or
37 business insurance policy does not cover.

38 (5) A rental company shall not recover from the renter or other
39 authorized driver for an item described in subdivision (b) to the
40 extent the rental company obtains recovery from another person.

(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from damage to the rented vehicle and not to the liability of another person.

(e) (1) Except as provided in subdivision (f), a damage waiver shall provide or, if not expressly stated in writing, shall be deemed to provide that the renter has no liability for a damage, loss, loss of use, or a cost or expense incident thereto.

(2) Except as provided in subdivision (f), every limitation, exception, or exclusion to a damage waiver is void and unenforceable.

(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:

(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.

(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside the United States.

(3) An authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false information and the rental company would not have rented the vehicle if it had instead received true information.

(g) (1) A rental company that offers or provides a damage waiver for any consideration in addition to the rental rate shall clearly and conspicuously disclose the following information in the rental contract or holder in which the contract is placed and, also, in signs posted at the place, such as the counter, where the renter signs the rental contract, and, for renters who are enrolled in the rental company's membership program, in a sign that shall be posted in a location clearly visible to those renters as they enter the location where their reserved rental cars are parked or near the exit of the bus or other conveyance that transports the enrollee to

1 a reserved car: (A) the nature of the renter's liability, such as
2 liability for all collision damage regardless of cause, (B) the extent
3 of the renter's liability, such as liability for damage or loss up to
4 a specified amount, (C) the renter's personal insurance policy or
5 the credit card used to pay for the car rental transaction may
6 provide coverage for all or a portion of the renter's potential
7 liability, (D) the renter should consult with his or her insurer to
8 determine the scope of insurance coverage, including the amount
9 of the deductible, if any, for which the renter is obligated, (E) the
10 renter may purchase an optional damage waiver to cover all
11 liability, subject to whatever exceptions the rental company
12 expressly lists that are permitted under subdivision (f), and (F) the
13 range of charges for the damage waiver.

14 (2) In addition to the requirements of paragraph (1), a rental
15 company that offers or provides a damage waiver shall orally
16 disclose to all renters, except those who are participants in the
17 rental company's membership program, that the damage waiver
18 may be duplicative of coverage that the customer maintains under
19 his or her own policy of motor vehicle insurance. The renter's
20 receipt of the oral disclosure shall be demonstrated through the
21 renter's acknowledging receipt of the oral disclosure near that part
22 of the contract where the renter indicates, by the renter's own
23 initials, his or her acceptance or declination of the damage waiver.
24 Adjacent to that same part, the contract also shall state that the
25 damage waiver is optional. Further, the contract for these renters
26 shall include a clear and conspicuous written disclosure that the
27 damage waiver may be duplicative of coverage that the customer
28 maintains under his or her own policy of motor vehicle insurance.

29 (3) The following is an example, for purposes of illustration
30 and not limitation, of a notice fulfilling the requirements of
31 paragraph (1) for a rental company that imposes liability on the
32 renter for collision damage to the full value of the vehicle:

33
34 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
35 AND OPTIONAL DAMAGE WAIVER
36

37 You are responsible for all collision damage to the rented vehicle
38 even if someone else caused it or the cause is unknown. You are
39 responsible for the cost of repair up to the value of the vehicle,
40 and towing, storage, and impound fees.

1 Your own insurance, or the issuer of the credit card you use to
2 pay for the car rental transaction, may cover all or part of your
3 financial responsibility for the rented vehicle. You should check
4 with your insurance company, or credit card issuer, to find out
5 about your coverage and the amount of the deductible, if any, for
6 which you may be liable.

7 Further, if you use a credit card that provides coverage for your
8 potential liability, you should check with the issuer to determine
9 if you must first exhaust the coverage limits of your own insurance
10 before the credit card coverage applies.

11 The rental company will not hold you responsible if you buy a
12 damage waiver. But a damage waiver will not protect you if (list
13 exceptions).”

14
15 (A) When the above notice is printed in the rental contract or
16 holder in which the contract is placed, the following shall be printed
17 immediately following the notice:

18
19 “The cost of an optional damage waiver is \$_____ for every (day
20 or week).”

21
22 (B) When the above notice appears on a sign, the following
23 shall appear immediately adjacent to the notice:

24
25 “The cost of an optional damage waiver is \$_____ to \$_____ for
26 every (day or week), depending upon the vehicle rented.”

27
28 (h) Notwithstanding any other provision of law, a rental
29 company may sell a damage waiver subject to the following rate
30 limitations for each full or partial 24-hour rental day for the damage
31 ~~waiver.~~ *waiver*:

32 (1) For rental vehicles that the rental company designates as an
33 “economy car,” “subcompact car,” “compact car,” or another term
34 having similar meaning when offered for rental, or another vehicle
35 having a manufacturer’s suggested retail price of ~~nineteen~~
36 ~~seventeen~~ thousand dollars ~~(\$19,000)~~ (\$17,000) or less, the rate
37 shall not exceed ~~nine dollars (\$9)~~ *eight dollars (\$8)*.

38 (2) For rental vehicles that have a manufacturer’s suggested
39 retail price from ~~nineteen thousand one dollars (\$19,001)~~ to
40 ~~thirty-four thousand nine hundred ninety-nine dollars (\$34,999)~~

1 *seventeen thousand one dollars (\$17,001) to thirty-five thousand*
2 *dollars (\$35,000), inclusive, and that are also either vehicles of*
3 *next year's model, or not older than the previous year's model,*
4 *the rate shall not exceed ~~fifteen dollars (\$15)~~ fourteen dollars*
5 *(\$14). For those rental vehicles older than the previous year's*
6 *model-year, the rate shall not exceed ~~nine dollars (\$9)~~ eight dollars*
7 *(\$8).*

8 (i) ~~The Commencing on January 1, 2012, the~~ manufacturer's
9 suggested retail prices described in subdivision (h) shall be adjusted
10 annually to reflect changes from the previous year in the Consumer
11 Price Index. For the purposes of this section, "Consumer Price
12 Index" means the United States Consumer Price Index for All
13 Urban Consumers, for all items.

14 (j) A rental company that disseminates in this state an
15 advertisement containing a rental rate shall include in that
16 advertisement a clearly readable statement of the charge for a
17 damage waiver and a statement that a damage waiver is optional.

18 (k) (1) A rental company shall not require the purchase of a
19 damage waiver, optional insurance, or another optional good or
20 service.

21 (2) A rental company shall not engage in any unfair, deceptive,
22 or coercive conduct to induce a renter to purchase the damage
23 waiver, optional insurance, or another optional good or service,
24 including conduct such as, but not limited to, refusing to honor
25 the renter's reservation, limiting the availability of vehicles,
26 requiring a deposit, or debiting or blocking the renter's credit card
27 account for a sum equivalent to a deposit if the renter declines to
28 purchase the damage waiver, optional insurance, or another
29 optional good or service.

30 (l) (1) In the absence of express permission granted by the
31 renter subsequent to damage to, or loss of, the vehicle, a rental
32 company shall not seek to recover any portion of a claim arising
33 out of damage to, or loss of, the rented vehicle by processing a
34 credit card charge or causing a debit or block to be placed on the
35 renter's credit card account.

36 (2) A rental company shall not engage in any unfair, deceptive,
37 or coercive tactics in attempting to recover or in recovering on any
38 claim arising out of damage to, or loss of, the rented vehicle.

39 (m) (1) A customer facility charge may be collected by a rental
40 company under the following circumstances:

1 (A) Collection of the fee by the rental company is required by
2 an airport operated by a city,~~a county, a city and county, a joint~~
3 powers authority,~~a or~~ special district, or the San Diego County
4 Regional Airport Authority formed pursuant to Division 17
5 (commencing with Section 170000) of the Public Utilities Code.

6 (B) The fee is calculated on a ~~per-contract basis~~ *per contract*
7 *basis or as provided in paragraph (2).*

8 (C) The fee is a user fee, not a tax imposed upon real property
9 or an incidence of property ownership under Article XIII D of the
10 California Constitution.

11 (D) Except as otherwise provided in subparagraph (E), the fee
12 shall be ten dollars (\$10) per contract *or the amount provided in*
13 *paragraph (2).*

14 (E) *The fee for a consolidated rental car facility shall be*
15 *collected only from customers of on-airport rental car companies.*
16 If the fee imposed by the airport is for both a consolidated rental
17 car facility and a common-use transportation system, the fee
18 collected from customers of on-airport rental car companies shall
19 be ten dollars ~~(\$10), (\$10) or the amount provided in paragraph~~
20 *(2), but the fee imposed on customers of off-airport rental car*
21 *companies who are transported on the common-use transportation*
22 *system is proportionate to the costs of the common-use*
23 *transportation system only. The fee is uniformly applied to each*
24 *class of on-airport or off-airport customers, provided that the airport*
25 *requires off-airport customers to use the common-use transportation*
26 *system. For purposes of this subparagraph, “on-airport rental*
27 *car company” means a rental company operating under an airport*
28 *property lease or an airport concession or license agreement whose*
29 *customers use or will use the consolidated rental car facility and*
30 *the collection of the fee as to those customers is consistent with*
31 *subparagraph (C).*

32 (F) Revenues collected from the fee do not exceed the reasonable
33 costs of financing, designing, ~~constructing, or operating the facility~~
34 ~~or transportation services and constructing the facility and~~
35 *financing, designing, constructing, and operating any common-use*
36 *transportation system, or acquiring vehicles for use in that system,*
37 and shall not be used for any other purpose.

38 (G) The fee is separately identified on the rental agreement.

1 (H) This paragraph does not apply to ~~airports~~ the fees of which
2 are governed by Section 50474.1 of the Government Code or
3 Section 57.5 of the San Diego Unified Port District Act.

4 (I) *For any airport seeking to require rental car companies to*
5 *collect an alternative customer facility charge pursuant to*
6 *paragraph (2), the following provisions apply:*

7 (i) *Notwithstanding Section 10231.5 of the Government Code,*
8 *the airport shall provide reports on an annual basis to the Senate*
9 *and Assembly Committees on Judiciary detailing all of the*
10 *following:*

11 (I) *The total amount of the customer facility charge collected.*

12 (II) *How the funds are being spent.*

13 (III) *The amount of and reason for any changes in the airport's*
14 *budget or financial needs for the facility or common-use*
15 *transportation system.*

16 (IV) *Whether airport concession fees authorized by Section*
17 *1936.01 have increased since the prior report, if any.*

18 (ii) *The airport shall complete the independent audit required*
19 *by subparagraph (B) of paragraph (4) of subdivision (a) prior to*
20 *initial collection of the customer facility charge, prior to any*
21 *increase pursuant to paragraph (2), and every three years after*
22 *initial collection and any increase until such time as the fee*
23 *authorization becomes inoperative pursuant to subparagraph (C)*
24 *of paragraph (4) of subdivision (a). The Controller shall review*
25 *those audits and independently examine and substantiate the*
26 *necessity for and the amount of the customer facility charge. The*
27 *Controller's costs shall be reimbursed by the individual airport*
28 *being audited. Notwithstanding Section 10231.5 of the Government*
29 *Code, the Controller shall report to the Legislature on its*
30 *conclusions, including whether the airport's actual or projected*
31 *costs are supported and justified, any steps the airport may take*
32 *to limit costs, potential alternatives for meeting the airport's*
33 *revenue needs other than the collection of the fee, and whether*
34 *and to what extent car rental companies or other businesses or*
35 *individuals using the facility or common-use transportation system*
36 *may pay for the costs associated with these facilities and systems*
37 *other than the fee from rental customers, or whether the airport*
38 *did not comply with any provision of this subparagraph.*

39 (iii) *Use of the bonds shall be limited to construction and design*
40 *of the consolidated rental car facility, terminal modifications, and*

1 *operating costs of the common-use transportation system, as*
2 *specified in paragraph (4) of subdivision (a).*

3 *(2) Any airport may require rental car companies to collect an*
4 *alternative customer facility charge under the following conditions:*

5 *(A) The airport first conducts a publicly noticed hearing*
6 *pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with*
7 *Section 54950) of Part 1 of Division 2 of Title 5 of the Government*
8 *Code) to review the costs of financing the design and construction*
9 *of a consolidated rental car facility and the design, construction,*
10 *and operation of any common-use transportation system in which*
11 *all of the following occur:*

12 *(i) The airport establishes the amount of revenue necessary to*
13 *finance the reasonable cost to design and construct a consolidated*
14 *rental car facility and to design, construct, and operate any*
15 *common-use transportation system, or acquire vehicles for use in*
16 *that system, based on evidence presented during the hearing.*

17 *(ii) The airport finds, based on evidence presented during the*
18 *hearing, that the fee authorized in paragraph (1) will not generate*
19 *sufficient revenue to finance the reasonable costs to design and*
20 *construct a consolidated rental car facility and to design, construct,*
21 *and operate any common-use transportation system, or acquire*
22 *vehicles for use in that system.*

23 *(iii) The airport finds that the reasonable cost of the project*
24 *requires the additional amount of revenue that would be generated*
25 *by the proposed daily rate, including any rate increase, authorized*
26 *pursuant to this paragraph.*

27 *(iv) The airport outlines each of the following:*

28 *(I) Steps it has taken to limit costs.*

29 *(II) Other potential alternatives for meeting its revenue needs*
30 *other than the collection of the fee.*

31 *(III) The extent to which rental car companies or other*
32 *businesses or individuals using the facility or common use*
33 *transportation system will pay for the costs associated with these*
34 *facilities and systems other than the fee from rental customers.*

35 *(v) The Controller reviews and substantiates the need for and*
36 *amount of the fee pursuant to clause (ii) of subparagraph (I) of*
37 *paragraph (1).*

38 *(B) The airport may not require the fee authorized in this*
39 *paragraph to be collected at any time that the fee authorized in*
40 *paragraph (1) of this subdivision is being collected.*

1 (C) Pursuant to the procedure set forth in this subdivision, the
2 fee may be collected at a rate charged on a per-day basis subject
3 to the following conditions:

4 (i) Commencing January 1, 2011, the amount of the fee may
5 not exceed six dollars (\$6) per day.

6 (ii) Commencing January 1, 2014, the amount of the fee may
7 not exceed seven dollars and fifty cents (\$7.50) per day.

8 (iii) Commencing January 1, 2017, and thereafter, the amount
9 of the fee may not exceed nine dollars (\$9) per day.

10 (iv) At no time shall the fee authorized in this paragraph be
11 collected from any customer for more than five days for each
12 individual rental car contract.

13 (v) An airport subject to this paragraph shall initiate the process
14 for obtaining the authority to require or increase the alternative
15 fee no later than January 1, 2018. Any airport that obtains the
16 authority to require or increase an alternative fee shall be
17 authorized to continue collecting that fee until the fee authorization
18 becomes inoperative pursuant to subparagraph (C) of paragraph
19 (4) of subdivision (a).

20 ~~(2)~~

21 (3) Notwithstanding any other provision of law, including, but
22 not limited to, Part 1 (commencing with Section 6001) to Part 1.7
23 (commencing with Section 7280), inclusive, of Division 2 of the
24 Revenue and Taxation Code, the fees collected pursuant to this
25 section, or another law whereby a local agency operating an airport
26 requires a rental car company to collect a facility financing fee
27 from its customers, are not subject to sales, use, or transaction
28 taxes.

29 (n) (1) A rental company shall only advertise, quote, and charge
30 a rental rate that includes the entire amount except taxes, a
31 customer facility charge, if any, and a mileage charge, if any, that
32 a renter must pay to hire or lease the vehicle for the period of time
33 to which the rental rate applies. A rental company shall not charge
34 in addition to the rental rate, taxes, a customer facility charge, if
35 any, and a mileage charge, if any, any fee that is required to be
36 paid by the renter as a condition of hiring or leasing the vehicle,
37 including, but not limited to, required fuel or airport surcharges
38 other than customer facility charges, nor a fee for transporting the
39 renter to the location where the rented vehicle will be delivered to
40 the renter.

(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

(3) A rental company shall not charge a fee for authorized drivers in addition to the rental charge for an individual renter.

(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.

(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company shall disclose clearly the existence and amount of the customer facility charge. For purposes of this subparagraph, advertisements include radio, television, other electronic media, and print advertisements. For purposes of this subparagraph, quotations and reservations include those that are telephonic, in-person, and computer-transmitted. If the rate advertisement is intended to include transactions at more than one airport imposing a customer facility charge, a range of fees may be stated in the advertisement. However, all rate advertisements that include car rentals at airport destinations shall clearly and conspicuously include a toll-free telephone number whereby a customer can be told the specific

1 amount of the customer facility charge to which the customer will
2 be obligated.

3 (B) If a person or entity other than a rental car company,
4 including a passenger carrier or a seller of travel services, advertises
5 or quotes a rate for a car rental at an airport where a customer
6 facility charge is imposed, that person or entity shall, provided
7 that he, she, or it is provided with information about the existence
8 and amount of the fee, to the extent not specifically prohibited by
9 federal law, clearly disclose the existence and amount of the fee
10 in any telephonic, in-person, or computer-transmitted quotation at
11 the time of making an initial quotation of a rental rate and at the
12 time of making a reservation of a rental car. If a rental car company
13 provides the person or entity with rate and customer facility charge
14 information, the rental car company is not responsible for the
15 failure of that person or entity to comply with this subparagraph
16 when quoting or confirming a rate to a third person or entity.

17 (6) If a rental company delivers a vehicle to a renter at a location
18 other than the location where the rental company normally carries
19 on its business, the rental company shall not charge the renter an
20 amount for the rental for the period before the delivery of the
21 vehicle. If a rental company picks up a rented vehicle from a renter
22 at a location other than the location where the rental company
23 normally carries on its business, the rental company shall not
24 charge the renter an amount for the rental for the period after the
25 renter notifies the rental company to pick up the vehicle.

26 (o) A rental company shall not use, access, or obtain any
27 information relating to the renter's use of the rental vehicle that
28 was obtained using electronic surveillance technology, except in
29 the following circumstances:

30 (1) (A) When the equipment is used by the rental company
31 only for the purpose of locating a stolen, abandoned, or missing
32 rental vehicle after one of the following:

33 (i) The renter or law enforcement has informed the rental
34 company that the vehicle is missing or has been stolen or
35 abandoned.

36 (ii) The rental vehicle has not been returned following one week
37 after the contracted return date, or by one week following the end
38 of an extension of that return date.

39 (iii) The rental company discovers the rental vehicle has been
40 stolen or abandoned, and, if stolen, it shall report the vehicle stolen

1 to law enforcement by filing a stolen vehicle report, unless law
2 enforcement has already informed the rental company that the
3 vehicle is missing or has been stolen or abandoned.

4 (B) If electronic surveillance technology is activated pursuant
5 to subparagraph (A), a rental company shall maintain a record, in
6 either electronic or written form, of information relevant to the
7 activation of that technology. That information shall include the
8 rental agreement, including the return date, and the date and time
9 the electronic surveillance technology was activated. The record
10 shall also include, if relevant, a record of written or other
11 communication with the renter, including communications
12 regarding extensions of the rental, police reports, or other written
13 communication with law enforcement officials. The record shall
14 be maintained for a period of at least 12 months from the time the
15 record is created and shall be made available upon the renter's
16 request. The rental company shall maintain and furnish explanatory
17 codes necessary to read the record. A rental company shall not be
18 required to maintain a record if electronic surveillance technology
19 is activated to recover a rental vehicle that is stolen or missing at
20 a time other than during a rental period.

21 (2) In response to a specific request from law enforcement
22 pursuant to a subpoena or search warrant.

23 (3) This subdivision does not prohibit a rental company from
24 equipping rental vehicles with GPS-based technology that provides
25 navigation assistance to the occupants of the rental vehicle, if the
26 rental company does not use, access, or obtain information relating
27 to the renter's use of the rental vehicle that was obtained using
28 that technology, except for the purposes of discovering or repairing
29 a defect in the technology and the information may then be used
30 only for that purpose.

31 (4) This subdivision does not prohibit a rental company from
32 equipping rental vehicles with electronic surveillance technology
33 that allows for the remote locking or unlocking of the vehicle at
34 the request of the renter, if the rental company does not use, access,
35 or obtain information relating to the renter's use of the rental
36 vehicle that was obtained using that technology, except as
37 necessary to lock or unlock the vehicle.

38 (5) This subdivision does not prohibit a rental company from
39 equipping rental vehicles with electronic surveillance technology
40 that allows the company to provide roadside assistance, such as

1 towing, flat tire, or fuel services, at the request of the renter, if the
2 rental company does not use, access, or obtain information relating
3 to the renter's use of the rental vehicle that was obtained using
4 that technology except as necessary to provide the requested
5 roadside assistance.

6 (6) This subdivision does not prohibit a rental company from
7 obtaining, accessing, or using information from electronic
8 surveillance technology for the sole purpose of determining the
9 date and time the vehicle is returned to the rental company, and
10 the total mileage driven and the vehicle fuel level of the returned
11 vehicle. This paragraph, however, shall apply only after the renter
12 has returned the vehicle to the rental company, and the information
13 shall only be used for the purpose described in this paragraph.

14 (p) A rental company shall not use electronic surveillance
15 technology to track a renter in order to impose fines or surcharges
16 relating to the renter's use of the rental vehicle.

17 (q) A renter may bring an action against a rental company for
18 the recovery of damages and appropriate equitable relief for a
19 violation of this section. The prevailing party shall be entitled to
20 recover reasonable attorney's fees and costs.

21 (r) A rental company that brings an action against a renter for
22 loss due to theft of the vehicle shall bring the action in the county
23 in which the renter resides or, if the renter is not a resident of this
24 state, in the jurisdiction in which the renter resides.

25 (s) A waiver of any of the provisions of this section shall be
26 void and unenforceable as contrary to public policy.

27 (t) (1) A rental company's disclosure requirements shall be
28 satisfied for renters who are enrolled in the rental company's
29 membership program if all of the following conditions are met:

30 (A) Prior to the enrollee's first rental as a participant in the
31 program, the renter receives, in writing, the following:

32 (i) All of the disclosures required by paragraph (1) of subdivision
33 (g), including the terms and conditions of the rental agreement
34 then in effect.

35 (ii) An Internet Web site address, as well as a contact number
36 or address, where the enrollee can learn of changes to the rental
37 agreement or to the laws of this state governing rental agreements
38 since the effective date of the rental company's most recent
39 restatement of the rental agreement and distribution of that
40 restatement to its members.

1 (B) At the commencement of each rental period, the renter is
2 provided, on the rental record or the folder in which it is inserted,
3 with a printed notice stating that he or she had either previously
4 selected or declined an optional damage waiver and that the renter
5 has the right to change preferences.

6 (C) At the commencement of each rental period, the rental
7 company provides, on the rearview mirror, a hanger on which a
8 statement is printed, in a box, in at least 12-point boldface type,
9 notifying the renter that the collision damage waiver offered by
10 the rental company may be duplicative of coverage that the
11 customer maintains under his or her own policy of motor vehicle
12 insurance. If it is not feasible to hang the statement from the
13 rearview mirror, it shall be hung from the steering wheel.

14 The hanger shall provide the renter a box to initial if he or she
15 (not his or her employer) has previously accepted or declined the
16 collision damage waiver and that he or she now wishes to change
17 his or her decision to accept or decline the collision damage waiver,
18 as follows:

19
20 “☐ If I previously accepted the collision damage waiver, I
21 now decline it.

22 ☐ If I previously declined the collision damage waiver, I now
23 accept it.”
24

25 The hanger shall also provide a box for the enrollee to indicate
26 whether this change applies to this rental transaction only or to all
27 future rental transactions. The hanger shall also notify the renter
28 that he or she may make that change, prior to leaving the lot, by
29 returning the form to an employee designated to receive the form
30 who is present at the lot where the renter takes possession of the
31 ~~car~~ *rental vehicle*, to receive any change in the rental agreement
32 from the renter.

33 (2) (A) This subdivision is not effective unless the employee
34 designated pursuant to subparagraph (E) of paragraph (8) of
35 subdivision (a) is actually present at the required location.

36 (B) This subdivision does not relieve the rental company from
37 the disclosures required to be made within the text of a contract
38 or holder in which the contract is placed; in or on an advertisement
39 containing a rental rate; or in a telephonic, in-person, or
40 computer-transmitted quotation or reservation.

1 (u) The amendments made to this section during the 2001–02
2 Regular Session of the Legislature do not affect litigation pending
3 on or before January 1, 2003, alleging a violation of Section 22325
4 of the Business and Professions Code as it read at the time the
5 action was commenced.

6 (v) (1) *When a rental company enters into a contract in the*
7 *State of California for rental of a vehicle to any renter who is not*
8 *a resident of this country, and as part of, or associated with, that*
9 *rental agreement, supplemental liability insurance, as described*
10 *in subdivision (b) of Section 1758.85 of the Insurance Code, is*
11 *provided by the rental company for loss or damage caused to a*
12 *third party, the rental company shall do all of the following:*

13 (A) *Accept service of process of any complaint against the renter*
14 *related to any harm, loss, or damage related to the use or operation*
15 *of the rental vehicle. Process may be served by first-class mail,*
16 *return receipt requested, or by personal service by a registered*
17 *agent of service of process on file with the Secretary of State and*
18 *Consumer Services.*

19 (B) *Provide a copy of any summons and complaint served*
20 *pursuant to subparagraph (A) to the renter by first-class mail,*
21 *return receipt requested, or registered mail.*

22 (2) *Any plaintiff, or his or her representative, who elects to serve*
23 *the renter by delivering a copy of the summons and complaint to*
24 *the rental company pursuant to subparagraph (A) of paragraph*
25 *(1) shall agree to limit his or her recovery against the renter or*
26 *the rental company to the limits of the protection extended by the*
27 *supplemental liability insurance.*

28 (3) *Notwithstanding any other provision of law, the requirement*
29 *that the rental company accept service of process pursuant to*
30 *subparagraph (A) of paragraph (1) shall not create any duty,*
31 *obligation, or agency relationship other than that provided in*
32 *subparagraph (B) of paragraph (1).*

33 (w) *This section shall remain in effect only until January 1,*
34 *2016, and as of that date is repealed, unless a later enacted statute,*
35 *that is enacted before January 1, 2016, deletes or extends that*
36 *date.*

37 SEC. 1.2. *Section 1936 is added to the Civil Code, to read:*

38 1936. (a) *For the purpose of this section, the following*
39 *definitions shall apply:*

1 (1) “Rental company” means a person or entity in the business
2 of renting passenger vehicles to the public.

3 (2) “Renter” means any person in a manner obligated under a
4 contract for the lease or hire of a passenger vehicle from a rental
5 company for a period of less than 30 days.

6 (3) “Authorized driver” means (A) the renter, (B) the renter’s
7 spouse if that person is a licensed driver and satisfies the rental
8 company’s minimum age requirement, (C) the renter’s employer
9 or coworker if he or she is engaged in business activity with the
10 renter, is a licensed driver, and satisfies the rental company’s
11 minimum age requirement, and (D) a person expressly listed by
12 the rental company on the renter’s contract as an authorized
13 driver.

14 (4) (A) “Customer facility charge” means any fee, including
15 an alternative fee, required by an airport to be collected by a rental
16 company from a renter for any of the following purposes:

17 (i) To finance, design, and construct consolidated airport car
18 rental facilities.

19 (ii) To finance, design, construct, and operate common-use
20 transportation systems that move passengers between airport
21 terminals and those consolidated car rental facilities, and acquire
22 vehicles for use in that system.

23 (iii) To finance, design, and construct terminal modifications
24 solely to accommodate and provide customer access to
25 common-use transportation systems.

26 (B) The aggregate amount to be collected shall not exceed the
27 reasonable costs, as determined by an independent audit paid for
28 by the airport, to finance, design, and construct those facilities.
29 Copies of the audit shall be provided to the Assembly and Senate
30 Committees on Judiciary, the Assembly Committee on
31 Transportation, and the Senate Committee on Transportation and
32 Housing. In the case of a transportation system, the audit also
33 shall consider the reasonable costs of providing the transit system
34 or busing network. Notwithstanding clause (iii) of subparagraph
35 (A), the fees designated as a customer facility charge shall not be
36 used to pay for terminal expansion, gate expansion, runway
37 expansion, changes in hours of operation, or changes in the number
38 of flights arriving or departing from the airport.

39 (C) Except as provided in subparagraph (D), the authorization
40 given pursuant to this section for an airport to impose a customer

1 facility charge shall become inoperative when the bonds used for
2 financing are paid.

3 (D) If a bond or other form of indebtedness is not used for
4 financing, or the bond or other form of indebtedness used for
5 financing has been paid, the Oakland International Airport may
6 require the collection of a customer facility charge for a period
7 of up to 10 years from the imposition of the charge for the purposes
8 allowed by, and subject to the conditions imposed by, this section.

9 (5) “Damage waiver” means a rental company’s agreement
10 not to hold a renter liable for all or any portion of any damage or
11 loss related to the rented vehicle, any loss of use of the rented
12 vehicle, or any storage, impound, towing, or administrative
13 charges.

14 (6) “Electronic surveillance technology” means a technological
15 method or system used to observe, monitor, or collect information,
16 including telematics, Global Positioning System (GPS), wireless
17 technology, or location-based technologies. “Electronic
18 surveillance technology” does not include event data recorders
19 (EDR), sensing and diagnostic modules (SDM), or other systems
20 that are used either:

21 (A) For the purpose of identifying, diagnosing, or monitoring
22 functions related to the potential need to repair, service, or perform
23 maintenance on the rental vehicle.

24 (B) As part of the vehicle’s airbag sensing and diagnostic system
25 in order to capture safety systems-related data for retrieval after
26 a crash has occurred or in the event that the collision sensors are
27 activated to prepare the decisionmaking computer to make the
28 determination to deploy or not to deploy the airbag.

29 (7) “Estimated time for replacement” means the number of
30 hours of labor, or fraction thereof, needed to replace damaged
31 vehicle parts as set forth in collision damage estimating guides
32 generally used in the vehicle repair business and commonly known
33 as “crash books.”

34 (8) “Estimated time for repair” means a good faith estimate of
35 the reasonable number of hours of labor, or fraction thereof,
36 needed to repair damaged vehicle parts.

37 (9) “Membership program” means a service offered by a rental
38 company that permits customers to bypass the rental counter and
39 go directly to the car previously reserved. A membership program
40 shall meet all of the following requirements:

1 (A) The renter initiates enrollment by completing an application
2 on which the renter can specify a preference for type of vehicle
3 and acceptance or declination of optional services.

4 (B) The rental company fully discloses, prior to the enrollee's
5 first rental as a participant in the program, all terms and conditions
6 of the rental agreement as well as all required disclosures.

7 (C) The renter may terminate enrollment at any time.

8 (D) The rental company fully explains to the renter that
9 designated preferences, as well as acceptance or declination of
10 optional services, may be changed by the renter at any time for
11 the next and future rentals.

12 (E) An employee designated to receive the form specified in
13 subparagraph (C) of paragraph (1) of subdivision (t) is present
14 at the lot where the renter takes possession of the car, to receive
15 any change in the rental agreement from the renter.

16 (10) "Passenger vehicle" means a passenger vehicle as defined
17 in Section 465 of the Vehicle Code.

18 (b) Except as limited by subdivision (c), a rental company and
19 a renter may agree that the renter will be responsible for no more
20 than all of the following:

21 (1) Physical or mechanical damage to the rented vehicle up to
22 its fair market value, as determined in the customary market for
23 the sale of that vehicle, resulting from collision regardless of the
24 cause of the damage.

25 (2) Loss due to theft of the rented vehicle up to its fair market
26 value, as determined in the customary market for the sale of that
27 vehicle, provided that the rental company establishes by clear and
28 convincing evidence that the renter or the authorized driver failed
29 to exercise ordinary care while in possession of the vehicle. In
30 addition, the renter shall be presumed to have no liability for any
31 loss due to theft if (A) an authorized driver has possession of the
32 ignition key furnished by the rental company or an authorized
33 driver establishes that the ignition key furnished by the rental
34 company was not in the vehicle at the time of the theft, and (B) an
35 authorized driver files an official report of the theft with the police
36 or other law enforcement agency within 24 hours of learning of
37 the theft and reasonably cooperates with the rental company and
38 the police or other law enforcement agency in providing
39 information concerning the theft. The presumption set forth in this
40 paragraph is a presumption affecting the burden of proof which

1 *the rental company may rebut by establishing that an authorized*
2 *driver committed, or aided and abetted the commission of, the*
3 *theft.*

4 *(3) Physical damage to the rented vehicle up to its fair market*
5 *value, as determined in the customary market for the sale of that*
6 *vehicle, resulting from vandalism occurring after, or in connection*
7 *with, the theft of the rented vehicle. However, the renter shall have*
8 *no liability for any damage due to vandalism if the renter would*
9 *have no liability for theft pursuant to paragraph (2).*

10 *(4) Physical damage to the rented vehicle up to a total of five*
11 *hundred dollars (\$500) resulting from vandalism unrelated to the*
12 *theft of the rented vehicle.*

13 *(5) Actual charges for towing, storage, and impound fees paid*
14 *by the rental company if the renter is liable for damage or loss.*

15 *(6) An administrative charge, which shall include the cost of*
16 *appraisal and all other costs and expenses incident to the damage,*
17 *loss, repair, or replacement of the rented vehicle.*

18 *(c) The total amount of the renter's liability to the rental*
19 *company resulting from damage to the rented vehicle shall not*
20 *exceed the sum of the following:*

21 *(1) The estimated cost of parts which the rental company would*
22 *have to pay to replace damaged vehicle parts. All discounts and*
23 *price reductions or adjustments that are or will be received by the*
24 *rental company shall be subtracted from the estimate to the extent*
25 *not already incorporated in the estimate, or otherwise promptly*
26 *credited or refunded to the renter.*

27 *(2) The estimated cost of labor to replace damaged vehicle*
28 *parts, which shall not exceed the product of (A) the rate for labor*
29 *usually paid by the rental company to replace vehicle parts of the*
30 *type that were damaged and (B) the estimated time for replacement.*
31 *All discounts and price reductions or adjustments that are or will*
32 *be received by the rental company shall be subtracted from the*
33 *estimate to the extent not already incorporated in the estimate, or*
34 *otherwise promptly credited or refunded to the renter.*

35 *(3) (A) The estimated cost of labor to repair damaged vehicle*
36 *parts, which shall not exceed the lesser of the following:*

37 *(i) The product of the rate for labor usually paid by the rental*
38 *company to repair vehicle parts of the type that were damaged*
39 *and the estimated time for repair.*

1 (ii) *The sum of the estimated labor and parts costs determined*
2 *under paragraphs (1) and (2) to replace the same vehicle parts.*

3 (B) *All discounts and price reductions or adjustments that are*
4 *or will be received by the rental company shall be subtracted from*
5 *the estimate to the extent not already incorporated in the estimate,*
6 *or otherwise promptly credited or refunded to the renter.*

7 (4) *For the purpose of converting the estimated time for repair*
8 *into the same units of time in which the rental rate is expressed,*
9 *a day shall be deemed to consist of eight hours.*

10 (5) *Actual charges for towing, storage, and impound fees paid*
11 *by the rental company.*

12 (6) *The administrative charge described in paragraph (6) of*
13 *subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total*
14 *estimated cost for parts and labor is more than one hundred dollars*
15 *(\$100) up to and including five hundred dollars (\$500), (B) one*
16 *hundred dollars (\$100) if the total estimated cost for parts and*
17 *labor exceeds five hundred dollars (\$500) up to and including one*
18 *thousand five hundred dollars (\$1,500), and (C) one hundred fifty*
19 *dollars (\$150) if the total estimated cost for parts and labor*
20 *exceeds one thousand five hundred dollars (\$1,500). An*
21 *administrative charge shall not be imposed if the total estimated*
22 *cost of parts and labor is one hundred dollars (\$100) or less.*

23 (d) (1) *The total amount of an authorized driver's liability to*
24 *the rental company, if any, for damage occurring during the*
25 *authorized driver's operation of the rented vehicle shall not exceed*
26 *the amount of the renter's liability under subdivision (c).*

27 (2) *A rental company shall not recover from the renter or other*
28 *authorized driver an amount exceeding the renter's liability under*
29 *subdivision (c).*

30 (3) *A claim against a renter resulting from damage or loss,*
31 *excluding loss of use, to a rental vehicle shall be reasonably and*
32 *rationally related to the actual loss incurred. A rental company*
33 *shall mitigate damages where possible and shall not assert or*
34 *collect a claim for physical damage which exceeds the actual costs*
35 *of the repairs performed or the estimated cost of repairs, if the*
36 *rental company chooses not to repair the vehicle, including all*
37 *discounts and price reductions. However, if the vehicle is a total*
38 *loss vehicle, the claim shall not exceed the total loss vehicle value*
39 *established in accordance with procedures that are customarily*
40 *used by insurance companies when paying claims on total loss*

1 vehicles, less the proceeds from salvaging the vehicle, if those
2 proceeds are retained by the rental company.

3 (4) If insurance coverage exists under the renter's applicable
4 personal or business insurance policy and the coverage is
5 confirmed during regular business hours, the renter may require
6 that the rental company submit any claims to the renter's
7 applicable personal or business insurance carrier. The rental
8 company shall not make any written or oral representations that
9 it will not present claims or negotiate with the renter's insurance
10 carrier. For purposes of this paragraph, confirmation of coverage
11 includes telephone confirmation from insurance company
12 representatives during regular business hours. Upon request of
13 the renter and after confirmation of coverage, the amount of claim
14 shall be resolved between the insurance carrier and the rental
15 company. The renter shall remain responsible for payment to the
16 rental car company for any loss sustained that the renter's
17 applicable personal or business insurance policy does not cover.

18 (5) A rental company shall not recover from the renter or other
19 authorized driver for an item described in subdivision (b) to the
20 extent the rental company obtains recovery from another person.

21 (6) This section applies only to the maximum liability of a renter
22 or other authorized driver to the rental company resulting from
23 damage to the rented vehicle and not to the liability of another
24 person.

25 (e) (1) Except as provided in subdivision (f), a damage waiver
26 shall provide or, if not expressly stated in writing, shall be deemed
27 to provide that the renter has no liability for a damage, loss, loss
28 of use, or a cost or expense incident thereto.

29 (2) Except as provided in subdivision (f), every limitation,
30 exception, or exclusion to a damage waiver is void and
31 unenforceable.

32 (f) A rental company may provide in the rental contract that a
33 damage waiver does not apply under any of the following
34 circumstances:

35 (1) Damage or loss results from an authorized driver's (A)
36 intentional, willful, wanton, or reckless conduct, (B) operation of
37 the vehicle under the influence of drugs or alcohol in violation of
38 Section 23152 of the Vehicle Code, (C) towing or pushing anything,
39 or (D) operation of the vehicle on an unpaved road if the damage
40 or loss is a direct result of the road or driving conditions.

1 (2) *Damage or loss occurs while the vehicle is (A) used for*
2 *commercial hire, (B) used in connection with conduct that could*
3 *be properly charged as a felony, (C) involved in a speed test or*
4 *contest or in driver training activity, (D) operated by a person*
5 *other than an authorized driver, or (E) operated outside the United*
6 *States.*

7 (3) *An authorized driver who has (A) provided fraudulent*
8 *information to the rental company, or (B) provided false*
9 *information and the rental company would not have rented the*
10 *vehicle if it had instead received true information.*

11 (g) (1) *A rental company that offers or provides a damage*
12 *waiver for any consideration in addition to the rental rate shall*
13 *clearly and conspicuously disclose the following information in*
14 *the rental contract or holder in which the contract is placed and,*
15 *also, in signs posted at the place, such as the counter, where the*
16 *renter signs the rental contract, and, for renters who are enrolled*
17 *in the rental company's membership program, in a sign that shall*
18 *be posted in a location clearly visible to those renters as they enter*
19 *the location where their reserved rental cars are parked or near*
20 *the exit of the bus or other conveyance that transports the enrollee*
21 *to a reserved car: (A) the nature of the renter's liability, such as*
22 *liability for all collision damage regardless of cause, (B) the extent*
23 *of the renter's liability, such as liability for damage or loss up to*
24 *a specified amount, (C) the renter's personal insurance policy or*
25 *the credit card used to pay for the car rental transaction may*
26 *provide coverage for all or a portion of the renter's potential*
27 *liability, (D) the renter should consult with his or her insurer to*
28 *determine the scope of insurance coverage, including the amount*
29 *of the deductible, if any, for which the renter is obligated, (E) the*
30 *renter may purchase an optional damage waiver to cover all*
31 *liability, subject to whatever exceptions the rental company*
32 *expressly lists that are permitted under subdivision (f), and (F)*
33 *the range of charges for the damage waiver.*

34 (2) *In addition to the requirements of paragraph (1), a rental*
35 *company that offers or provides a damage waiver shall orally*
36 *disclose to all renters, except those who are participants in the*
37 *rental company's membership program, that the damage waiver*
38 *may be duplicative of coverage that the customer maintains under*
39 *his or her own policy of motor vehicle insurance. The renter's*
40 *receipt of the oral disclosure shall be demonstrated through the*

1 renter's acknowledging receipt of the oral disclosure near that
2 part of the contract where the renter indicates, by the renter's own
3 initials, his or her acceptance or declination of the damage waiver.
4 Adjacent to that same part, the contract also shall state that the
5 damage waiver is optional. Further, the contract for these renters
6 shall include a clear and conspicuous written disclosure that the
7 damage waiver may be duplicative of coverage that the customer
8 maintains under his or her own policy of motor vehicle insurance.
9 (3) The following is an example, for purposes of illustration
10 and not limitation, of a notice fulfilling the requirements of
11 paragraph (1) for a rental company that imposes liability on the
12 renter for collision damage to the full value of the vehicle:

13
14 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND
15 OPTIONAL DAMAGE WAIVER
16

17 You are responsible for all collision damage to the rented vehicle
18 even if someone else caused it or the cause is unknown. You are
19 responsible for the cost of repair up to the value of the vehicle,
20 and towing, storage, and impound fees.

21 Your own insurance, or the issuer of the credit card you use to
22 pay for the car rental transaction, may cover all or part of your
23 financial responsibility for the rented vehicle. You should check
24 with your insurance company, or credit card issuer, to find out
25 about your coverage and the amount of the deductible, if any, for
26 which you may be liable.

27 Further, if you use a credit card that provides coverage for your
28 potential liability, you should check with the issuer to determine
29 if you must first exhaust the coverage limits of your own insurance
30 before the credit card coverage applies.

31 The rental company will not hold you responsible if you buy a
32 damage waiver. But a damage waiver will not protect you if (list
33 exceptions).”
34

35 (A) When the above notice is printed in the rental contract or
36 holder in which the contract is placed, the following shall be
37 printed immediately following the notice:
38

39 “The cost of an optional damage waiver is \$____ for every (day
40 or week).”

1
2 (B) When the above notice appears on a sign, the following
3 shall appear immediately adjacent to the notice:
4

5 “The cost of an optional damage waiver is \$_____ to \$_____ for
6 every (day or week), depending upon the vehicle rented.”
7

8 (h) Notwithstanding any other provision of law, a rental
9 company may sell a damage waiver subject to the following rate
10 limitations for each full or partial 24-hour rental day for the
11 damage waiver:

12 (1) For rental vehicles that the rental company designates as
13 an “economy car,” “subcompact car,” “compact car,” or another
14 term having similar meaning when offered for rental, or another
15 vehicle having a manufacturer’s suggested retail price of nineteen
16 thousand dollars (\$19,000) or less, the rate shall not exceed nine
17 dollars (\$9).

18 (2) For rental vehicles that have a manufacturer’s suggested
19 retail price from nineteen thousand one dollars (\$19,001) to
20 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),
21 inclusive, and that are also either vehicles of next year’s model,
22 or not older than the previous year’s model, the rate shall not
23 exceed fifteen dollars (\$15). For those rental vehicles older than
24 the previous year’s model-year, the rate shall not exceed nine
25 dollars (\$9).

26 (i) The manufacturer’s suggested retail prices described in
27 subdivision (h) shall be adjusted annually to reflect changes from
28 the previous year in the Consumer Price Index. For the purposes
29 of this section, “Consumer Price Index” means the United States
30 Consumer Price Index for All Urban Consumers, for all items.

31 (j) A rental company that disseminates in this state an
32 advertisement containing a rental rate shall include in that
33 advertisement a clearly readable statement of the charge for a
34 damage waiver and a statement that a damage waiver is optional.

35 (k) (1) A rental company shall not require the purchase of a
36 damage waiver, optional insurance, or another optional good or
37 service.

38 (2) A rental company shall not engage in any unfair, deceptive,
39 or coercive conduct to induce a renter to purchase the damage
40 waiver, optional insurance, or another optional good or service,

1 including conduct such as, but not limited to, refusing to honor
2 the renter's reservation, limiting the availability of vehicles,
3 requiring a deposit, or debiting or blocking the renter's credit
4 card account for a sum equivalent to a deposit if the renter declines
5 to purchase the damage waiver, optional insurance, or another
6 optional good or service.

7 (l) (1) In the absence of express permission granted by the
8 renter subsequent to damage to, or loss of, the vehicle, a rental
9 company shall not seek to recover any portion of a claim arising
10 out of damage to, or loss of, the rented vehicle by processing a
11 credit card charge or causing a debit or block to be placed on the
12 renter's credit card account.

13 (2) A rental company shall not engage in any unfair, deceptive,
14 or coercive tactics in attempting to recover or in recovering on
15 any claim arising out of damage to, or loss of, the rented vehicle.

16 (m) (1) A customer facility charge may be collected by a rental
17 company under the following circumstances:

18 (A) Collection of the fee by the rental company is required by
19 an airport operated by a city, county, city and county, joint powers
20 authority, or special district, or the San Diego County Regional
21 Airport Authority formed pursuant to Division 17 (commencing
22 with Section 170000) of the Public Utilities Code.

23 (B) The fee is calculated on a per contract basis or as provided
24 in paragraph (2).

25 (C) The fee is a user fee, not a tax imposed upon real property
26 or an incidence of property ownership under Article XIID of the
27 California Constitution.

28 (D) Except as otherwise provided in subparagraph (E), the fee
29 shall be ten dollars (\$10) per contract or the amount provided in
30 paragraph (2).

31 (E) The fee for a consolidated rental car facility shall be
32 collected only from customers of on-airport rental car companies.
33 If the fee imposed by the airport is for both a consolidated rental
34 car facility and a common-use transportation system, the fee
35 collected from customers of on-airport rental car companies shall
36 be ten dollars (\$10) or the amount provided in paragraph (2), but
37 the fee imposed on customers of off-airport rental car companies
38 who are transported on the common-use transportation system is
39 proportionate to the costs of the common-use transportation system
40 only. The fee is uniformly applied to each class of on-airport or

1 off-airport customers, provided that the airport requires off-airport
2 customers to use the common-use transportation system. For
3 purposes of this subparagraph, “on-airport rental car company”
4 means a rental company operating under an airport property lease
5 or an airport concession or license agreement whose customers
6 use or will use the consolidated rental car facility and the
7 collection of the fee as to those customers is consistent with
8 subparagraph (C).

9 (F) Revenues collected from the fee do not exceed the reasonable
10 costs of financing, designing, and constructing the facility and
11 financing, designing, constructing, and operating any common-use
12 transportation system, or acquiring vehicles for use in that system,
13 and shall not be used for any other purpose.

14 (G) The fee is separately identified on the rental agreement.

15 (H) This paragraph does not apply to fees which are governed
16 by Section 50474.1 of the Government Code or Section 57.5 of the
17 San Diego Unified Port District Act.

18 (I) For any airport seeking to require rental car companies to
19 collect an alternative customer facility charge pursuant to
20 paragraph (2), the following provisions apply:

21 (i) Notwithstanding Section 10231.5 of the Government Code,
22 the airport shall provide reports on an annual basis to the Senate
23 and Assembly Committees on Judiciary detailing all of the
24 following:

25 (I) The total amount of the customer facility charge collected.

26 (II) How the funds are being spent.

27 (III) The amount of and reason for any changes in the airport’s
28 budget or financial needs for the facility or common-use
29 transportation system.

30 (IV) Whether airport concession fees authorized by Section
31 1936.01 have increased since the prior report, if any.

32 (ii) The airport shall complete the independent audit required
33 by subparagraph (B) of paragraph (4) of subdivision (a) prior to
34 initial collection of the customer facility charge, prior to any
35 increase pursuant to paragraph (2), and every three years after
36 initial collection and any increase until such time as the fee
37 authorization becomes inoperative pursuant to subparagraph (C)
38 of paragraph (4) of subdivision (a). The Controller shall review
39 those audits and independently examine and substantiate the
40 necessity for and the amount of the customer facility charge. The

1 *Controller's costs shall be reimbursed by the individual airport*
2 *being audited. Notwithstanding Section 10231.5 of the Government*
3 *Code, the Controller shall report to the Legislature on its*
4 *conclusions, including whether the airport's actual or projected*
5 *costs are supported and justified, any steps the airport may take*
6 *to limit costs, potential alternatives for meeting the airport's*
7 *revenue needs other than the collection of the fee, and whether*
8 *and to what extent car rental companies or other businesses or*
9 *individuals using the facility or common-use transportation system*
10 *may pay for the costs associated with these facilities and systems*
11 *other than the fee from rental , or whether the airport did not*
12 *comply with any provision of this subparagraph.*

13 *(iii) Use of the bonds shall be limited to construction and design*
14 *of the consolidated rental car facility, terminal modifications, and*
15 *operating costs of the common-use transportation system, as*
16 *specified in paragraph (4) of subdivision (a).*

17 *(2) Any airport may require rental car companies to collect an*
18 *alternative customer facility charge under the following conditions:*

19 *(A) The airport first conducts a publicly noticed hearing*
20 *pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with*
21 *Section 54950) of Part 1 of Division 2 of Title 5 of the Government*
22 *Code) to review the costs of financing the design and construction*
23 *of a consolidated rental car facility and the design, construction,*
24 *and operation of any common-use transportation system in which*
25 *all of the following occur:*

26 *(i) The airport establishes the amount of revenue necessary to*
27 *finance the reasonable cost to design and construct a consolidated*
28 *rental car facility and to design, construct, and operate any*
29 *common-use transportation system, or acquire vehicles for use in*
30 *that system, based on evidence presented during the hearing.*

31 *(ii) The airport finds, based on evidence presented during the*
32 *hearing, that the fee authorized in paragraph (1) will not generate*
33 *sufficient revenue to finance the reasonable costs to design and*
34 *construct a consolidated rental car facility and to design, construct,*
35 *and operate any common-use transportation system, or acquire*
36 *vehicles for use in that system .*

37 *(iii) The airport finds that the reasonable cost of the project*
38 *requires the additional amount of revenue that would be generated*
39 *by the proposed daily rate, including any rate increase, authorized*
40 *pursuant to this paragraph.*

1 (iv) *The airport outlines each of the following:*
2 (I) *Steps it has taken to limit costs.*
3 (II) *Other potential alternatives for meeting its revenue needs*
4 *other than the collection of the fee.*
5 (III) *The extent to which rental car companies or other*
6 *businesses or individuals using the facility or common use*
7 *transportation system will pay for the costs associated with these*
8 *facilities and systems other than the fee from rental customers.*
9 (v) *The Controller reviews and substantiates the need for and*
10 *amount of the fee pursuant to clause (ii) of subparagraph (I) of*
11 *paragraph (1).*
12 (B) *The airport may not require the fee authorized in this*
13 *paragraph to be collected at any time that the fee authorized in*
14 *paragraph (1) of this subdivision is being collected.*
15 (C) *Pursuant to the procedure set forth in this subdivision, the*
16 *fee may be collected at a rate charged on a per-day basis subject*
17 *to the following conditions:*
18 (i) *Commencing January 1, 2011, the amount of the fee may*
19 *not exceed six dollars (\$6) per day.*
20 (ii) *Commencing January 1, 2014, the amount of the fee may*
21 *not exceed seven dollars and fifty cents (\$7.50) per day.*
22 (iii) *Commencing January 1, 2017, and thereafter, the amount*
23 *of the fee may not exceed nine dollars (\$9) per day.*
24 (iv) *At no time shall the fee authorized in this paragraph be*
25 *collected from any customer for more than five days for each*
26 *individual rental car contract.*
27 (v) *An airport subject to this paragraph shall initiate the process*
28 *for obtaining the authority to require or increase the alternative*
29 *fee no later than January 1, 2018. Any airport that obtains the*
30 *authority to require or increase an alternative fee shall be*
31 *authorized to continue collecting that fee until the fee authorization*
32 *becomes inoperative pursuant to subparagraph (C) of paragraph*
33 *(4) of subdivision (a).*
34 (3) *Notwithstanding any other provision of law, including, but*
35 *not limited to, Part 1 (commencing with Section 6001) to Part 1.7*
36 *(commencing with Section 7280), inclusive, of Division 2 of the*
37 *Revenue and Taxation Code, the fees collected pursuant to this*
38 *section, or another law whereby a local agency operating an*
39 *airport requires a rental car company to collect a facility financing*

1 *fee from its customers, are not subject to sales, use, or transaction*
2 *taxes.*

3 *(n) (1) A rental company shall only advertise, quote, and charge*
4 *a rental rate that includes the entire amount except taxes, a*
5 *customer facility charge, if any, and a mileage charge, if any, that*
6 *a renter must pay to hire or lease the vehicle for the period of time*
7 *to which the rental rate applies. A rental company shall not charge*
8 *in addition to the rental rate, taxes, a customer facility charge, if*
9 *any, and a mileage charge, if any, any fee that is required to be*
10 *paid by the renter as a condition of hiring or leasing the vehicle,*
11 *including, but not limited to, required fuel or airport surcharges*
12 *other than customer facility charges, nor a fee for transporting*
13 *the renter to the location where the rented vehicle will be delivered*
14 *to the renter.*

15 *(2) In addition to the rental rate, taxes, customer facility*
16 *charges, if any, and mileage charges, if any, a rental company*
17 *may charge for an item or service provided in connection with a*
18 *particular rental transaction if the renter could have avoided*
19 *incurring the charge by choosing not to obtain or utilize the*
20 *optional item or service. Items and services for which the rental*
21 *company may impose an additional charge include, but are not*
22 *limited to, optional insurance and accessories requested by the*
23 *renter, service charges incident to the renter's optional return of*
24 *the vehicle to a location other than the location where the vehicle*
25 *was hired or leased, and charges for refueling the vehicle at the*
26 *conclusion of the rental transaction in the event the renter did not*
27 *return the vehicle with as much fuel as was in the fuel tank at the*
28 *beginning of the rental. A rental company also may impose an*
29 *additional charge based on reasonable age criteria established*
30 *by the rental company.*

31 *(3) A rental company shall not charge a fee for authorized*
32 *drivers in addition to the rental charge for an individual renter.*

33 *(4) If a rental company states a rental rate in print advertisement*
34 *or in a telephonic, in-person, or computer-transmitted quotation,*
35 *the rental company shall disclose clearly in that advertisement or*
36 *quotation the terms of mileage conditions relating to the advertised*
37 *or quoted rental rate, including, but not limited to, to the extent*
38 *applicable, the amount of mileage and gas charges, the number*
39 *of miles for which no charges will be imposed, and a description*

1 of geographic driving limitations within the United States and
2 Canada.

3 (5) (A) When a rental rate is stated in an advertisement,
4 quotation, or reservation in connection with a car rental at an
5 airport where a customer facility charge is imposed, the rental
6 company shall disclose clearly the existence and amount of the
7 customer facility charge. For purposes of this subparagraph,
8 advertisements include radio, television, other electronic media,
9 and print advertisements. For purposes of this subparagraph,
10 quotations and reservations include those that are telephonic,
11 in-person, and computer-transmitted. If the rate advertisement is
12 intended to include transactions at more than one airport imposing
13 a customer facility charge, a range of fees may be stated in the
14 advertisement. However, all rate advertisements that include car
15 rentals at airport destinations shall clearly and conspicuously
16 include a toll-free telephone number whereby a customer can be
17 told the specific amount of the customer facility charge to which
18 the customer will be obligated.

19 (B) If a person or entity other than a rental car company,
20 including a passenger carrier or a seller of travel services,
21 advertises or quotes a rate for a car rental at an airport where a
22 customer facility charge is imposed, that person or entity shall,
23 provided that he, she, or it is provided with information about the
24 existence and amount of the fee, to the extent not specifically
25 prohibited by federal law, clearly disclose the existence and amount
26 of the fee in any telephonic, in-person, or computer-transmitted
27 quotation at the time of making an initial quotation of a rental rate
28 and at the time of making a reservation of a rental car. If a rental
29 car company provides the person or entity with rate and customer
30 facility charge information, the rental car company is not
31 responsible for the failure of that person or entity to comply with
32 this subparagraph when quoting or confirming a rate to a third
33 person or entity.

34 (6) If a rental company delivers a vehicle to a renter at a
35 location other than the location where the rental company normally
36 carries on its business, the rental company shall not charge the
37 renter an amount for the rental for the period before the delivery
38 of the vehicle. If a rental company picks up a rented vehicle from
39 a renter at a location other than the location where the rental
40 company normally carries on its business, the rental company

1 shall not charge the renter an amount for the rental for the period
2 after the renter notifies the rental company to pick up the vehicle.

3 (o) A rental company shall not use, access, or obtain any
4 information relating to the renter's use of the rental vehicle that
5 was obtained using electronic surveillance technology, except in
6 the following circumstances:

7 (1) (A) When the equipment is used by the rental company only
8 for the purpose of locating a stolen, abandoned, or missing rental
9 vehicle after one of the following:

10 (i) The renter or law enforcement has informed the rental
11 company that the vehicle is missing or has been stolen or
12 abandoned.

13 (ii) The rental vehicle has not been returned following one week
14 after the contracted return date, or by one week following the end
15 of an extension of that return date.

16 (iii) The rental company discovers the rental vehicle has been
17 stolen or abandoned, and, if stolen, it shall report the vehicle stolen
18 to law enforcement by filing a stolen vehicle report, unless law
19 enforcement has already informed the rental company that the
20 vehicle is missing or has been stolen or abandoned.

21 (B) If electronic surveillance technology is activated pursuant
22 to subparagraph (A), a rental company shall maintain a record,
23 in either electronic or written form, of information relevant to the
24 activation of that technology. That information shall include the
25 rental agreement, including the return date, and the date and time
26 the electronic surveillance technology was activated. The record
27 shall also include, if relevant, a record of written or other
28 communication with the renter, including communications
29 regarding extensions of the rental, police reports, or other written
30 communication with law enforcement officials. The record shall
31 be maintained for a period of at least 12 months from the time the
32 record is created and shall be made available upon the renter's
33 request. The rental company shall maintain and furnish
34 explanatory codes necessary to read the record. A rental company
35 shall not be required to maintain a record if electronic surveillance
36 technology is activated to recover a rental vehicle that is stolen
37 or missing at a time other than during a rental period.

38 (2) In response to a specific request from law enforcement
39 pursuant to a subpoena or search warrant.

1 (3) *This subdivision does not prohibit a rental company from*
2 *equipping rental vehicles with GPS-based technology that provides*
3 *navigation assistance to the occupants of the rental vehicle, if the*
4 *rental company does not use, access, or obtain information relating*
5 *to the renter's use of the rental vehicle that was obtained using*
6 *that technology, except for the purposes of discovering or repairing*
7 *a defect in the technology and the information may then be used*
8 *only for that purpose.*

9 (4) *This subdivision does not prohibit a rental company from*
10 *equipping rental vehicles with electronic surveillance technology*
11 *that allows for the remote locking or unlocking of the vehicle at*
12 *the request of the renter, if the rental company does not use, access,*
13 *or obtain information relating to the renter's use of the rental*
14 *vehicle that was obtained using that technology, except as*
15 *necessary to lock or unlock the vehicle.*

16 (5) *This subdivision does not prohibit a rental company from*
17 *equipping rental vehicles with electronic surveillance technology*
18 *that allows the company to provide roadside assistance, such as*
19 *towing, flat tire, or fuel services, at the request of the renter, if the*
20 *rental company does not use, access, or obtain information relating*
21 *to the renter's use of the rental vehicle that was obtained using*
22 *that technology except as necessary to provide the requested*
23 *roadside assistance.*

24 (6) *This subdivision does not prohibit a rental company from*
25 *obtaining, accessing, or using information from electronic*
26 *surveillance technology for the sole purpose of determining the*
27 *date and time the vehicle is returned to the rental company, and*
28 *the total mileage driven and the vehicle fuel level of the returned*
29 *vehicle. This paragraph, however, shall apply only after the renter*
30 *has returned the vehicle to the rental company, and the information*
31 *shall only be used for the purpose described in this paragraph.*

32 (p) *A rental company shall not use electronic surveillance*
33 *technology to track a renter in order to impose fines or surcharges*
34 *relating to the renter's use of the rental vehicle.*

35 (q) *A renter may bring an action against a rental company for*
36 *the recovery of damages and appropriate equitable relief for a*
37 *violation of this section. The prevailing party shall be entitled to*
38 *recover reasonable attorney's fees and costs.*

39 (r) *A rental company that brings an action against a renter for*
40 *loss due to theft of the vehicle shall bring the action in the county*

1 *in which the renter resides or, if the renter is not a resident of this*
2 *state, in the jurisdiction in which the renter resides.*

3 *(s) A waiver of any of the provisions of this section shall be void*
4 *and unenforceable as contrary to public policy.*

5 *(t) (1) A rental company's disclosure requirements shall be*
6 *satisfied for renters who are enrolled in the rental company's*
7 *membership program if all of the following conditions are met:*

8 *(A) Prior to the enrollee's first rental as a participant in the*
9 *program, the renter receives, in writing, the following:*

10 *(i) All of the disclosures required by paragraph (1) of*
11 *subdivision (g), including the terms and conditions of the rental*
12 *agreement then in effect.*

13 *(ii) An Internet Web site address, as well as a contact number*
14 *or address, where the enrollee can learn of changes to the rental*
15 *agreement or to the laws of this state governing rental agreements*
16 *since the effective date of the rental company's most recent*
17 *restatement of the rental agreement and distribution of that*
18 *restatement to its members.*

19 *(B) At the commencement of each rental period, the renter is*
20 *provided, on the rental record or the folder in which it is inserted,*
21 *with a printed notice stating that he or she had either previously*
22 *selected or declined an optional damage waiver and that the renter*
23 *has the right to change preferences.*

24 *(C) At the commencement of each rental period, the rental*
25 *company provides, on the rearview mirror, a hanger on which a*
26 *statement is printed, in a box, in at least 12-point boldface type,*
27 *notifying the renter that the collision damage waiver offered by*
28 *the rental company may be duplicative of coverage that the*
29 *customer maintains under his or her own policy of motor vehicle*
30 *insurance. If it is not feasible to hang the statement from the*
31 *rearview mirror, it shall be hung from the steering wheel.*

32 *The hanger shall provide the renter a box to initial if he or she*
33 *(not his or her employer) has previously accepted or declined the*
34 *collision damage waiver and that he or she now wishes to change*
35 *his or her decision to accept or decline the collision damage*
36 *waiver, as follows:*

37
38 *“☐ If I previously accepted the collision damage waiver, I*
39 *now decline it.*

1 ☐ *If I previously declined the collision damage waiver, I now*
2 *accept it.”*

3
4 *The hanger shall also provide a box for the enrollee to indicate*
5 *whether this change applies to this rental transaction only or to*
6 *all future rental transactions. The hanger shall also notify the*
7 *renter that he or she may make that change, prior to leaving the*
8 *lot, by returning the form to an employee designated to receive*
9 *the form who is present at the lot where the renter takes possession*
10 *of the rental vehicle, to receive any change in the rental agreement*
11 *from the renter.*

12 (2) (A) *This subdivision is not effective unless the employee*
13 *designated pursuant to subparagraph (E) of paragraph (8) of*
14 *subdivision (a) is actually present at the required location.*

15 (B) *This subdivision does not relieve the rental company from*
16 *the disclosures required to be made within the text of a contract*
17 *or holder in which the contract is placed; in or on an advertisement*
18 *containing a rental rate; or in a telephonic, in-person, or*
19 *computer-transmitted quotation or reservation.*

20 (u) *The amendments made to this section during the 2001–02*
21 *Regular Session of the Legislature do not affect litigation pending*
22 *on or before January 1, 2003, alleging a violation of Section 22325*
23 *of the Business and Professions Code as it read at the time the*
24 *action was commenced.*

25 (v) *This section shall become operative on January 1, 2016.*

26 SEC. 2. ~~Section 1.5~~ *Sections 1.1 and 1.2 of this bill incorporate*
27 *incorporate amendments to Section 1936 of the Civil Code*
28 *proposed by both this bill and Assembly Bill 2059. ~~It~~ They shall*
29 *only become operative if (1) both bills are enacted and become*
30 *effective on or before January 1, 2011, (2) each bill amends Section*
31 *1936 of the Civil Code, and (3) this bill is enacted after Assembly*
32 *Bill 2059, in which case Section 1 of this bill shall not become*
33 *operative.*